

**BRIEFING NOTE TO THE DEPUTY MINISTER****Waterfront Toronto Update**

(For Information)

ISSUE

- You will have a call on July 12 with Scott Thompson, the new Deputy Minister of the Ontario Ministry of Transportation and Ministry of Infrastructure. The call provides an opportunity to outline the federal stance on the Waterfront file and discuss the agenda for the upcoming Inter-Governmental Steering Committee (IGSC) meeting in Toronto on July 20.
- Issues that may be raised on the call include next steps for the CEO of Waterfront, progress on the Quayside and Port Lands projects; and the go forward approach to governance of the Waterfront file between the three levels of government.

HIGHLIGHTS/KEY CONSIDERATIONS

- This call will take place on the backdrop of Will Fleissig's resignation on July 4. Waterfront's Board has put an interim leadership team in place under acting CEO Michael Nobrega as it launches the search for a new CEO.
- As Waterfront's Board deals with next steps on CEO succession-planning, it will be important for the organization to keep momentum as it progresses on Quayside, and implements the Port Lands Flood Protection project.
- On Quayside, Waterfront announced on June 26 that timelines for completing the Master Innovation and Development Agreement would be pushed back to spring 2019.
- You will want to suggest that a pre-meeting take place ahead of the July 20 IGSC, without Waterfront Toronto, between yourself, Mr. Thompson, and interim City Manager Giuliana Carbone to set the stage for items that will be considered. You will also want to emphasize the need for such pre- or in camera meetings whenever the IGSC is convened.
- The PDA is the key item intended for discussion on July 20. A draft has been provided and governments will be briefed on July 13. Our interest is to ensure it aligns with Waterfront's founding legislation and any relevant agreements Waterfront has with the federal government, such as for Port Lands. The PDA also references the key role of the IGSC on government relations for Quayside.

SCERET

- The IGSC and its associated bodies is key to coordinating the role of governments on the Waterfront file. July 20 should also be used as an opportunity to review this structure and solidify any needed adjustments – impressing the need to get this right.

KEY BACKGROUND

Next steps for the CEO of Waterfront

- On July 4 the Waterfront Toronto Board of Directors announced the resignation of CEO Will Fleissig. Ontario-appointed Board member Michael Nobrega will step down from Board duties to act as CEO while the Board undertakes the search for a permanent replacement. Communications materials on Mr. Fleissig's resignation are included under **Annex A**.

Quayside Update

- On June 26 Waterfront and Sidewalk Toronto issued a joint newsletter pushing back timelines for finalizing the Master Innovation and Development Plan (MIDP) to spring 2019. A copy of the newsletter is included in **Annex B**.
- Waterfront and Sidewalk Toronto continue to work towards completing the PDA. A draft has been circulated to governments, and Waterfront will brief INFC on July 13. The Waterfront Board will meet on July 31 to consider and approve the PDA, which is destined to be a public document. A summary of key elements of the draft PDA is included under **Annex C**.

July 16th MoU workshop

- IPI and POB staff will meet with City of Toronto and Ontario personnel on July 16 to workshop issues around Waterfront governance.

[REDACTED] The proposed agenda for the meeting is included under **Annex C-1**. To prepare for the meeting, IPI has drafted a one-pager outlining key elements in Waterfront's structure, included under **Annex D**.

[REDACTED] an important aspect to resolve is how Waterfront Toronto's involvement in Quayside-focused IGSC meetings is to be managed. Waterfront originally acted as the secretariat for the QESC – as most supporting documents come from them. It will be important to maintain a communication channel where Quayside matters can be discussed strictly between the three levels of government.

Port Lands Flood Remediation

- The Contribution Agreement (CA) for the Port Lands flood protection project came into effect on May 1, 2018. INFC is establishing a bilateral oversight committee with Waterfront that will serve to monitor Waterfront's compliance with the CA.
- Waterfront has satisfied federal duty to consult requirements to date and is engaged with First Nations communities on a means to formalize their involvement in public realm and other project aspects.
- Work on the PLFP Project is progressing on schedule and Waterfront has commenced site mobilization.
- Cherry Street lake filling is advancing, with barges currently delivering core stone fill onsite.

[REDACTED]

A "Data Trust" refers to a mutual organisation formed to manage data on its members' behalf. Participants would pool their data forming a trust, stipulating conditions under which data could be shared. The trust would retain a duty of care without conflicting goals such as making a profit or furthering a research career. Waterfront and Sidewalk are considering whether such an approach may be appropriate in the context of Quayside.

NEXT STEPS

- Your call with Mr. Thompson will scope these issues in advance of the July 20 IGSC. Key points to register are attached. We will work with contacts in Ontario, the City and Waterfront to finalize the agenda for the July 20 meeting and provide key materials for consideration at the discussion.

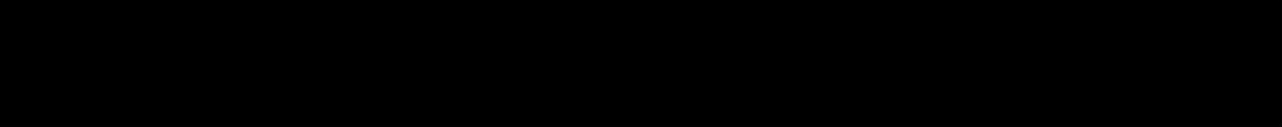
POINTS TO REGISTER – WATERFRONT TORONTO ISSUES

Overall message and federal role

- I look forward to working with you as INFC takes on the IGSC Chair for this fiscal year. Two big projects we have before us are the Port Lands Flood Protection, and Waterfront's partnership with Sidewalk Labs on Quayside.
- We welcome being a funding partner on Portlands, and that implies a defined federal role with limitations.
- The federal government is not an ongoing funding partner on Waterfront Toronto itself, and deals with the revitalization initiative project by project, as it has done historically.
- The Quayside project is of interest to federal government in terms of what it means for Canada – the opportunity to pilot innovation, and collaborate in a unique entity with 3 orders of government
- Importantly, we need to ensure a strong bond between Waterfront's board and management, and governments need to respect and support good governance.
- Similarly, Waterfront needs to be supported in dealing with its funding and planning partners, as some of these may pressure good governance and try to deal with governments directly.
- INFC is prepared to help and support other governments and navigate the policy issues coming up of national significance, while being mindful of the need to think in terms of national frameworks at the federal level.

The July 20th IGSC meeting

- The Partnership Development Agreement (PDA) is coming up for our consideration on July 20. The PDA's expected release in the coming weeks will signal the start of an intense period for Waterfront, as it turns completing the Master Innovation and development Plan.

- 
- We also want to make sure we have the right coordinating structures in place to ensure issues are dealt with by the right groups and Waterfront's Board and Management receives appropriate feedback. The IGSC plays a key role here. We should review its structure and solidify any adjustments where needed.
 - Along with the City, we will need to touch base just between governments ahead of July 20 to make sure we are comfortable with the agenda and to set the stage for the discussion.

- I would welcome your views, and hope we can discuss further when we meet in Toronto on July 20.

Quayside-specific points

- I noted the announcement of the revised timeline for completing the Mater Innovation and Development Plan (MIDP) which is now targeting spring 2019.
- Waterfront has now circulated the draft PDA and is briefing governments in the lead-up to July 20. Our interest from the federal perspective is to ensure it aligns with Waterfront's founding legislation and the authorities it accords to Waterfront Toronto as a corporation.
- As a roadmap for completing the MIDP, the PDA has a number of principles around IP, data governance and privacy, public communications and government relations – which are intended to address public concerns in these areas. On interaction with governments the PDA references the key role of the IGSC.

Governance-specific points

- I am open to this effort. As you may know Infrastructure Canada engages on high-level strategic issues and acts as a bridge back to the federal family, but does not get involved on issues that are otherwise better left with Waterfront Toronto's management and Board – such as oversight of operational matters.

Quayside Executive Steering Committee – specific points

- The IGSC has typically met quarterly to consider the full range of issues with respect to the Waterfront Toronto Revitalization Initiative. More regular issue specific discussions have tended to take place at a project management or "Executive Steering Committee" level. This was our initial approach on Quayside

As Waterfront was acting as the secretariat and rapporteur for Quayside ESC discussions, we will need to think of a way in which we can discuss Quayside matters strictly between the three governments when required.

Port Lands-specific points

- I understand that work on the Port Lands flood protection project is progressing and Waterfront is planning to start site mobilization this month.
- I would welcome any views you would like to share on the project from your perspective.

Next Steps for the CEO of Waterfront

- We thank Will Fleissig for his service and wish him well in his future endeavours.
- We welcome Michael Nobrega in his role as acting CEO, while he and the rest of the interim leadership team search for a permanent replacement.

Orientation of Ontario's New Government toward the Waterfront

- We would welcome any insights you could share on broad policy directions or government initiatives that may be relevant to Waterfront.

Glenn Campbell
Assistant Deputy Minister
Investment, Partnerships and Innovation

Date

Attachments (6):

Annex A – Media materials on Waterfront Toronto's CEO's resignation
Annex B-1 – Master Innovation and Development Plan Newsletter and Related Media
Annex B-2 – Draft summary of key elements of Partnership Development Agreement
Annex C-1 – Proposed Agenda for July 16 meeting with City of Toronto and Ontario
Annex C-2 – One-pager on waterfront governance – DRAFT
Annex D – Terms of Reference for the IGSC
Annex E – Proposed Principles for Data Trust Pilot, and INFC response



Media Statement – Issued on behalf of Helen Burstyn, C.M., Chair of the Waterfront Toronto Board

TORONTO, July 4, 2018 – Today, Will Fleissig has advised the Board that he is stepping down as CEO.

Waterfront Toronto has been fortunate to have a leader with such an innovative vision of what Toronto's waterfront could and should be, and we wish him the very best as he takes on new challenges in the future.

Waterfront Toronto is now turning its focus to implementing the vision our team has worked towards, and we're more excited than ever about the future.

Mr. Fleissig noted that he is very proud of the accomplishments of Waterfront Toronto and the support he has received from the team. He knows that the next stage of the waterfront revitalization is in very good hands.

We are privileged to have a skilled and experienced board, staff and executive to draw on during this time of transition and opportunity. There will be a three-person interim leadership team in place, including Michael Nobrega as Acting CEO, Meg Davis, our Chief Development Officer, and myself in my capacity as Chair, while we search for a new CEO.

Michael Nobrega is a former President and CEO of OMERS, current Chair of the Ontario Centres of Excellence, and sits on Waterfront Toronto's Board of Directors. Michael will be taking a leave from the Board for the duration of his tenure on the interim leadership team. Meg Davis is Waterfront Toronto's Chief Development Officer, and has been with the organization for 11 years. She has extensive experience as a real estate and commercial transactions expert, notably with KPMG. The interim leadership team will not be accepting any additional compensation for these roles.

We look forward to the next chapter in the transformation of Toronto's waterfront.

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Media Contact

Cameron MacKay
VP of Strategic Communications & Engagement
Waterfront Toronto
Telephone: 416-214-1344 x 314
E-mail: cmackay@waterfrontoronto.ca

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are withheld
pursuant to paragraphs
19(1), 21(1)(a), and 21(1)(b)
of the *Access to Information Act***

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conformément aux dispositions des
paragraphes
19(1), 21(1)(a), et 21(1)(b)
de la *loi sur l'accès à l'information***

From: Tippins, Shawn (INFC)
Sent: July 6, 2018 3:21 PM
To: Tippins, Shawn (INFC)
Subject: Annwx A-1 FW: An Update on our public engagement and the project timeline

Annex A-1

From: [REDACTED]
Sent: June 26, 2018 10:24 AM
To: Campbell, Glenn (INFC) <glenn.campbell@canada.ca>; Tippins, Shawn (INFC) <shawn.tippins@canada.ca>
Cc: [REDACTED]
Subject: FW: An Update on our public engagement and the project timeline

Glenn, Shawn,

Further to our discussions at the last Quayside Executive Steering Committee meeting (now the IGSC Quayside working group) I wanted to share with you (below) a newsletter from Will and Dan Doctoroff that will be going out later today (likely around noon). The newsletter outlines an extended planning process for the MIDP, including more opportunities for the community and stakeholders to provide feedback.

Please circulate as necessary within your department (and with your MO) with the caveat that the newsletter be kept confidential until its release.

Please don't hesitate to contact me if you have any questions.

Thanks in advance,

[REDACTED]





When we launched Sidewalk Toronto, we had one mission in mind: to address the toughest challenges facing cities — and meaningfully improve quality of life — through the combination of forward-thinking urban design and innovative technology. It started with a [vision](#) for how to make cities more sustainable, livable, and inclusive — and because we believe city-building needs many hands and many perspectives, we launched a comprehensive [public engagement process](#) to bring that vision to life.

Over the past six months, we have met with and listened to thousands of people. We have hosted town halls, roundtables, and public talks. We have convened advisory groups, spoken to neighbourhood associations, and on June 16, Sidewalk Labs [opened “307,”](#) its Toronto office and workshop, where Torontonians can continue to learn about, provide feedback on, and experiment with different elements of the vision. You can see summaries of all this work [on our website](#).

From the start, we have recognized that we are taking a different approach. Rather than bringing forward a comprehensive proposal and site plan, we are exploring virtually every

aspect of how the city works and how Toronto residents think it could work better. Over the past six months, you have provided indispensable insights and perspectives that have shaped our thinking as we begin to formulate our Master Innovation and Development Plan (or MIDP).

You have also told us to take the time to get this right — and we have heard you. That is why we are extending the planning process so that we have the time to work together to create something that we can all be proud of.

Here is the new timeline:

- The roundtable meeting scheduled for early July will now be held on August 14 and 15 at the 307 Lake Shore Blvd. East workspace. We will cover the same information on both dates: initial thinking for the public realm, streets, and buildings that is coming into focus. We think two sessions will provide good opportunities to discuss and consider this work.
- In November, we will share a comprehensive description of the component parts of the Master Innovation and Development Plan, including proposed site plans, and we will have our fourth roundtable soon after.
- Early in 2019, we plan to release a draft Master Innovation and Development Plan. It will be a comprehensive document, but still a work-in-progress. Following the release of the draft plan, we will host a fifth roundtable to solicit feedback on the draft.
- Informed by this additional feedback, we plan to publish the proposed MIDP in finished form in spring 2019 for consideration by the Waterfront Toronto Board of Directors and by the Alphabet board. We understand that the City of Toronto will also solicit public feedback after receiving the MIDP to inform its considerations in advance of necessary city approvals.

We are so grateful for the great interest and enthusiasm Torontonians have shown for this project to date. You have given us your time, your ideas, and your feedback. We want to keep this momentum going as we put together a groundbreaking plan, and we hope you will continue to join us.

To learn more about Sidewalk Toronto, the 307 workspace, our participation plan and to view past presentations, please visit www.sidewalktoronto.ca. See you on the waterfront!

— Will Fleissig, President and CEO, Waterfront Toronto

— Dan Doctoroff, Chairman and CEO, Sidewalk Labs

There are many more ways to join!

There are dozens of opportunities throughout 2018 to join the Sidewalk Toronto conversation. You can read our full [public engagement plan here](#) or visit the Sidewalk Toronto [website](#) for more information. We need your help to imagine the neighbourhood of the future.



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PDA Baseline Position
(Key considerations for the PDA)
@June 27, 2018

The following is IREQ's (updated by management) list of the key issues addressed in the PDA:

1. The PDA is an agreement (the "Agreement") between the Toronto Waterfront Revitalization Corporation ("TWRC") and Sidewalk Labs ("SWL"), a wholly-owned subsidiary of Alphabet Inc. Individually, TWRC or SWL is a "Party", and together are "Parties". Sidewalk Toronto Limited Partnership is a funding arm, and not a party to the PDA.
2. The principal objective of the Agreement is to establish a roadmap for the design and preparation of the Master Innovation Development Plan (MIDP). At the same time, TWRC and SWL will work to develop principal commercial terms of the Principal Implementation Agreements (the Land, Infrastructure, Intellectual Property Methodologies) which would be finalized subject to and upon receipt of approvals necessary to proceed.
3. The Land Methodology will be based on fair market value of Quayside as determined by an Appraisal Institute qualified appraiser in accordance with principles to be agreed in the MIDP.
4. The program set out in the MIDP, if implemented, may ultimately impact the fair market value of Quayside.
5. The MIDP will be a collaborative research exercise (within a structured framework of collaborative principles, timelines, procurement policies, consultation with relevant stakeholders, detailed budgets, etc.) to establish the feasibility and viability of a

smart city, public/private partnership initiative initially on the Quayside Lands and will also address plans at scale for the Eastern Waterfront lands.

6. The “drop dead” date for the completion of the MIDP is September 30, 2019 and for the Principal Implementation Agreements is December 31, 2019 subject to extensions by mutual consent of the Parties.
7. The Agreement does **NOT** and the MIDP will **NOT** create a real estate interest or result in the transfer of ownership in any lands, including the Quayside Lands, to SWL or any person.
8. The Agreement commits SWL to provide two tranches of funding (the “Funding”):
 - Up to US\$10 million to fund joint activities of the Parties to the execution date of the Agreement; and
 - Up to an additional US\$40 million to fund the preparation and finalization of the MIDP (subject to an overall cap of US\$50 million).

Alphabet Inc. will provide a letter of support for the Funding.

9. The Agreement does **NOT** provide, as a condition of the Funding, for any right to equity in (i) the Quayside Lands, (ii) any future lands, (iii) a public/private partnership between Parties or (iv) any other business arrangement between the Parties or any entity affiliated with SWL or Alphabet Inc.
10. SWL will fund reports and studies with the Funding within budget parameters agreed to by the Parties. SWL will provide updates to the Project Management Committee.

11. The Agreement can be terminated, without cost, by either Party, in accordance with a dispute mechanism protocol which fast tracks the termination within 90 - 120 days of commencement of the dispute resolution process by a written notice to terminate by either Party if mediation is unsuccessful.
12. The Agreement provides for indemnity and release provisions to each Party which would be considered standard and reasonable for agreements of this nature and for exclusion of consequential damages.

**Tri-Government Working Group Without Prejudice Workshop
Toronto Waterfront Revitalization Initiative
City Hall, Boardroom TBD
June/July
9:00am to 3:00pm**

Agenda

SESSION #1 – GOVERNMENT PARTNERS @ 9:00am

1. Introductions and Confirm Agenda – (9:00 to 9:05)
2. Confirm Purpose, Objectives and Scope – (9:05 to 9:30)
 - Framework for government coordination
 - Timing for government needs
 - Reporting approvals
 - Alignment with TWRC Act
 - Other
3. Preliminary Table of Contents – (9:30 to 10:00)

BREAK – (10:00 to 10:15)

4. Progress on Key Components – (10:15 to 11:00)
 - Relationship between WT Board and Governments
 - Process for mandate review
 - Reports to government and required approvals
 - Process for borrowing authority extension
 - Other
5. Work Plan / Next Steps Schedule – (11:00 to 11:20)
6. Other Business – (11:20 to 11:45)

BREAK – (11:45 to 12:00)

SESSION #2 – GOVERNMENT PARTNERS with WATERFRONT TORONTO @ 12:00pm

7. Introductions – (12:00 to 12:15)
8. Review of Morning Discussion – (12:15 to 12:30)
 - Goals, objectives and scope
 - Table of contents
 - Progress on key components
 - Other business
9. WT Comments – (12:30 to 1:30)

BREAK – (1:30 to 1:45)

SESSION #3 – GOVERNMENT PARTNERS @ 1:45 pm

TBD – based on progress of Sessions 1 and 2

MEETING IS ADJORNED @ 3:00pm

SESSION #4 (TBD) – TOUR / END from 3 to 5pm

Governance Structure of the Waterfront Toronto Revitalization Initiative (WTRI)

The Intergovernmental Steering Committee will be the chief mechanism for oversight of government contribution agreements. The mandate of the IGSC was updated in September 2017. The revised mandate is attached.

The parties will continue to maintain Waterfront Secretariats. Staff of these secretariats will meet regularly as the Tri-government Working Group, in support of the IGSC.

Project Management

Executive Steering Committees (ESCs) will be established for all significant projects. Currently there is an ESC for the Port Lands, Waterfront Transit and Quayside (Draft terms of Reference Attached).

The ESC will be the main approval and decision-making body within the framework of the approved Contribution Agreements. With Respect to the Port Lands Flood Protection and enabling Infrastructure Contribution Agreement, a bilateral INFC-WT Oversight Committee has been established to oversee adherence of INFC's funding conditions under the agreement.

The IGSC serves as an executive level focal point for intergovernmental management and coordination on matters related to the TWRI. Specifically, the IGSC:

- Leads the identification and discussion of general and project-specific governance issues related to waterfront revitalization and Waterfront Toronto, when necessary;
- Coordinates activities between the three levels of government and Waterfront Toronto;
- Serves as a forum for information exchange related to the implementation of tri-government funded projects;
- Undertakes joint planning exercises to ensure that proposed projects are in keeping with the goals and objectives and mandate of the TWRI and Waterfront Toronto;
- Manages contribution agreements and related activities;

Terms of Reference

Intergovernmental Steering Committee (IGSC) Toronto Waterfront Revitalization Initiative

Background:

In October 2000, the Government of Canada, the Province of Ontario and the City of Toronto each committed \$500 million to the Toronto Waterfront Revitalization Initiative (TWRI). Given the need for the three governments to work together to implement the TWRI, the government partners set up the Intergovernmental Steering Committee (IGSC) and, in March 2001, announced their intention to create the Toronto Waterfront Revitalization Corporation, now called Waterfront Toronto.

For the next phase of waterfront revitalization the government partners announced funding for the Port Lands Flood Protection (PLFP) and Enabling Infrastructure project in June 2017. The prospect of new projects has triggered the need to refresh governance and decision making by the government partners.

As set out in its enabling statute, the Ontario *Toronto Waterfront Revitalization Corporation Act, 2002*, the mandate of Waterfront Toronto is to lead and oversee the revitalization of Toronto's waterfront. Since the three orders of government are accountable for the expenditure of government funds with respect to TWRI projects, Waterfront Toronto reports its progress to the IGSC.

Role and Responsibilities:

The IGSC serves as an executive level focal point for intergovernmental management and coordination on matters related to the TWRI. The IGSC also provides governance and oversight to Waterfront Toronto. Specifically, the IGSC:

1. Leads the identification and discussion of general and project-specific governance issues related to waterfront revitalization and Waterfront Toronto, when necessary;
2. Coordinates activities between the three levels of government and Waterfront Toronto;
3. Serves as a forum for information exchange related to the implementation of tri-government funded projects;
4. Undertakes joint planning exercises to ensure that proposed projects are in keeping with the goals and objectives and mandate of the TWRI and Waterfront Toronto;
5. Manages contribution agreements and related activities;

6. Provides feedback on Waterfront Toronto's Annual Corporate Plan to the Waterfront Toronto Board;
7. Establishes working groups, as required, to provide advice and direction on sub-issues; and
8. Establishes project-based executive steering committees, as required, to direct and implement the delivery of government supported waterfront revitalization projects.

As the Port Lands Flood Protection project advances, the IGSC will provide direction on project-specific governance aspects.

The IGSC may delegate its authority and implementation responsibilities to the Tri-Government Working Group (TWG).

Chair:

The responsibility of chair rotates every fiscal year. The City is the chair for 2017/18, followed by the Government of Canada, and then the Province of Ontario.

Membership:

The IGSC is comprised of the following (or their equivalents):

- Government of Canada: Deputy Minister, Infrastructure and Communities; Associate Deputy Minister, Infrastructure and Communities, and Assistant Deputy Minister, Infrastructure and Communities, Program Operations Branch;
- Government of Ontario: Deputy Minister, Ministry of Infrastructure and Assistant Deputy Minister, Realty Division, Ministry of Infrastructure;
- City of Toronto: City Manager and Deputy City Manager; and
- Waterfront Toronto: President and CEO

Voting:

Each order of government has one vote at the IGSC and Waterfront Toronto has non-voting status.

Meetings:

IGSC meetings will be convened at a minimum on a quarterly basis. The schedule of meetings will be established by its members and meetings will be held in-person or by telepresence. For clarity, meetings and voting when urgent and necessary may also occur via electronic mail.

Any IGSC or TWG member may request an agenda item, provided notice is given to the chair (or delegated authority) at least 2 weeks in advance. Materials/Information related to the meeting should be circulated at least 1 week in advance. The City will coordinate the date for each meeting and meeting space will be provided at City Hall, regardless of which government is chairing.

The government that chaired the meeting will prepare and circulate the minutes to the TWG for comment; the minutes will be approved at the subsequent IGSC meeting.

Term:

The IGSC shall exist and operate for as long as necessary to meet the requirements of the TWRI or until one or all members decide that the IGSC's mandate should be ended. The other members may decide to continue the IGSC without the member(s) who have decided to leave.

Communications:

In order to ensure effective coordination, IGSC members will inform each other of actions that could have an impact on each other.

Tri-Government Working Group:

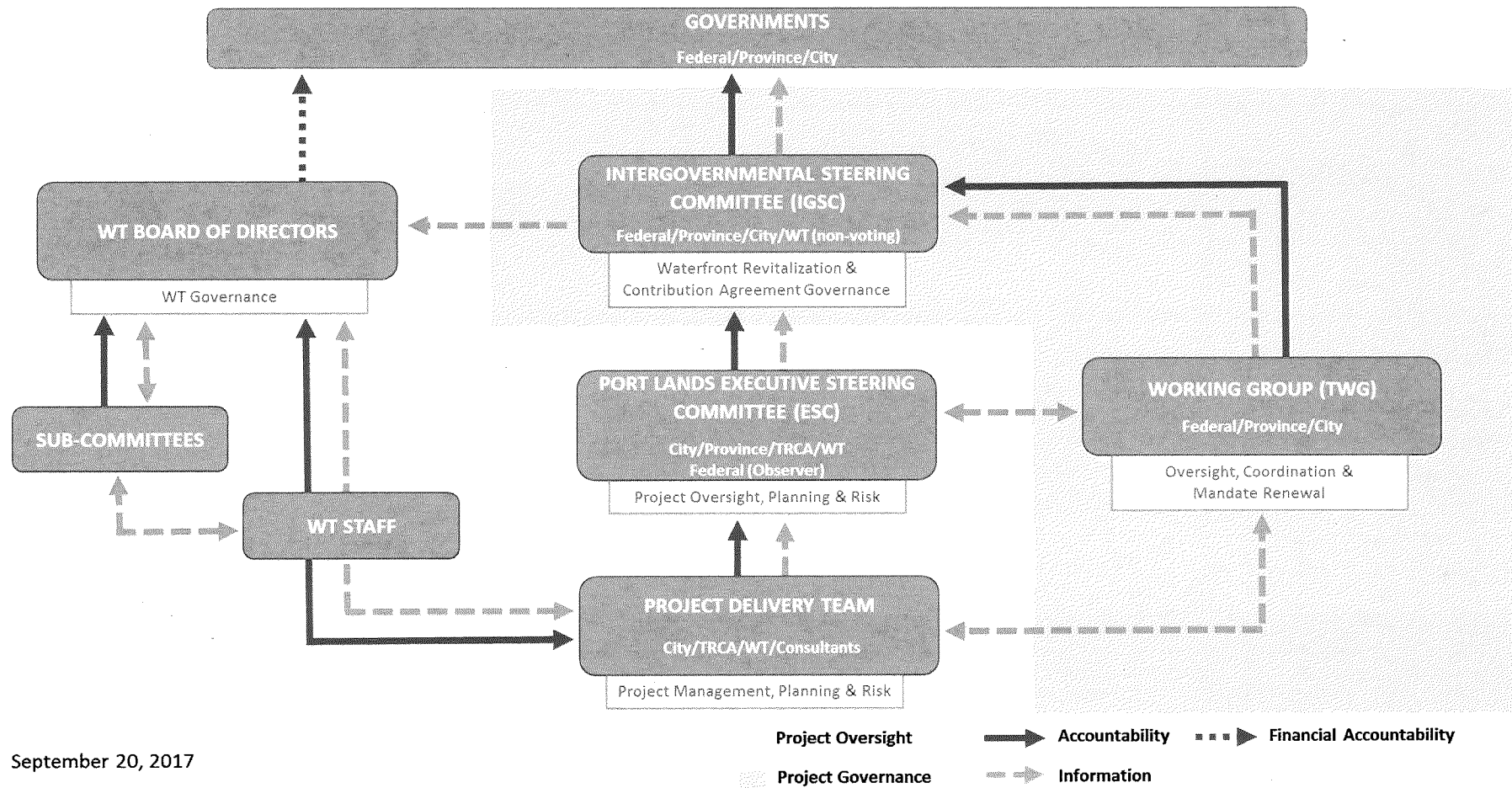
The TWG addresses items delegated by the IGSC and is comprised of Secretariat staff from each level of government. Secretariat staff are responsible for drafting records of discussions, following up on decisions and actions, disseminating information, distributing meeting documentation, scheduling meetings, logistical arrangements, and ensuring proper communication channels are in place to coordinate with Waterfront Toronto and project-based executive steering committees. Secretariat staff are also responsible for implementing IGSC decisions when delegated.

Secretariat staff may also request staff from other government departments/divisions, as well as Waterfront Toronto, to provide their expertise and feedback to the TWG on an as-needed basis.

At a minimum, the TWG will meet monthly and the chair will rotate every fiscal year in sync with the IGSC. The City is the chair for 2017/18, followed by the Government of Canada, and then the Province of Ontario. The agenda and minutes/action items for each meeting will be circulated by the meeting chair.

When delegated from the IGSC, the TWG's scope of work includes Waterfront Toronto Governance and Mandate Renewal as well as Waterfront Toronto Financial Oversight.

PORT LANDS FLOOD PROTECTION CONTRIBUTION AGREEMENT GOVERNANCE & PROJECT OVERSIGHT



September 20, 2017

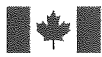
MEMBERSHIP FOR PORT LANDS FLOOD PROTECTION GOVERNANCE

	INTERGOVERNMENTAL STEERING COMMITTEE (IGSC)	WORKING GROUP (TWG)	PORT LANDS EXECUTIVE STEERING COMMITTEE (ESC)
Federal	Deputy Minister, Infrastructure and Communities	Director, Program Operations Branch, Infrastructure Canada	
	Associate Deputy Minister, Infrastructure and Communities	Program Analyst, Program Operations Branch, Infrastructure Canada	Director, Program Operations Branch, Infrastructure Canada (Observer)
	Assistant Deputy Minister, Infrastructure and Communities Program Operations Branch	Junior Program Analyst, Program Operations Branch, Infrastructure Canada	
Provincial	Deputy Minister, Ministry of Infrastructure	Director, Realty Policy Branch, Ministry of Infrastructure	
	Assistant Deputy Minister, Realty Division, Ministry of Infrastructure	Manager, Realty Policy Branch, Ministry of Infrastructure	Assistant Deputy Minister, Realty Division, Ministry of Infrastructure (Active Observer)
City	City Manager	Director Waterfront Secretariat	
	Deputy City Manager	Senior Corporate Management and Policy Consultant, Strategic & Corporate Policy, City Manager's Office	Deputy City Manager
WT	President & CEO		President & CEO
TRCA			CEO

September 25, 2017

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are withheld
pursuant to paragraphs
13(1)(c), 14, 19(1), 21(1)(a), and 21(1)(b)
of the *Access to Information Act***

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conformément aux dispositions des
paragraphes
13(1)(c), 14, 19(1), 21(1)(a), et 21(1)(b)
de la *loi sur l'accès à l'information***



BRIEFING NOTE TO THE ASSOCIATE DEPUTY MINISTER

WATERFRONT TORONTO / SIDEWALK TORONTO QUAYSIDE INITIATIVE

(For Information)

ISSUE

This backgrounder has been prepared to support your participation in Session VI (Trust in a Digital Age) of the agenda for the Deputy Ministers' Retreat on July 4, 2018.

MAIN KEY POINTS TO REGISTER

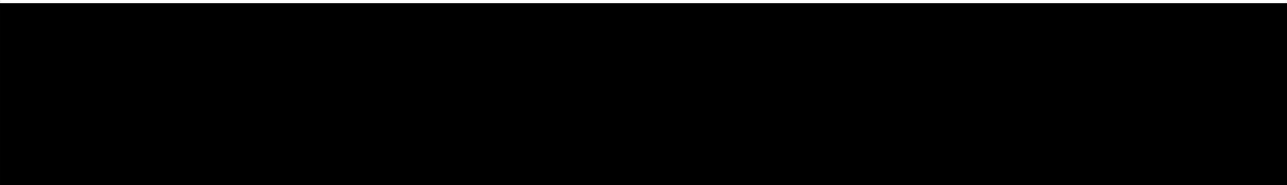
- The rapid and widespread uptake of disruptive technologies like big data and the "internet of things" is putting pressure on governments to evaluate and align policy frameworks to address public concerns.
- The main issues in the public space include: surveillance; data collection; data sharing and selling; data storage, including where and for how long; and privacy – including anonymized data and the risks of re-identification.
- Investment will flow to those jurisdictions that are best dealing with the implications of increasing interconnectedness, and Canada is no exception.
- At Infrastructure Canada we see these issues playing out as traditional bricks and mortar, smart technology and people are colliding around infrastructure. While we have the Smart Cities Challenge underway we are actively engaged on the proposed "Quayside" project, a high-profile initiative between Waterfront Toronto and Sidewalk Labs (a Google/Alphabet company) to build a connected, data-driven neighborhood on Toronto's eastern waterfront.
- If it goes forward Quayside will present a unique opportunity to pilot digital innovations and solutions that protect personal privacy and civil liberties while providing shared benefits and a catalyst for economic growth. It can also pave way for more investment and branding of Canada as place that supports innovation.
- On the key policy issues, Waterfront has pulled together experts, with public input, to develop key principles to guide Quayside's implementation. This will help shape the broader public policy dialogue on digital technology and data and can inform national consultations now underway, under our colleagues at ISED.
- Clearly the market will potentially move faster than governments and potentially the public. Need to ensure a balance of promoting innovation and shaping policy frameworks the public trust and not thwarting new innovations that are inevitable. Need to preserve opportunity for Canada to shape our own destiny and influence the outcome.

BACKGROUND

- Waterfront is a not-for-profit entity established under provincial legislation to lead and implement the Toronto Waterfront Revitalization Initiative (TWRI). The three orders of government each appoint four of its twelve Board members. The Deputy Minister of Infrastructure Canada is chairing the Inter-Governmental Steering Committee for the TWRI this year, being a senior officials-led information sharing and coordinating body among the three levels of government and Waterfront.
- Waterfront and Sidewalk Labs, a subsidiary of Google parent-company Alphabet, are leading the development of a technology plan to be tested in the 12-acre Quayside district located in the East Bay Front southeast of Downtown Toronto at Parliament Slip, adjacent the Lower Don Lands and Port Lands. The plan would see the creation of a “smart city” that would include mixed residential, commercial, and retail development and encompass innovative building techniques and connectivity to build a climate positive city.
- Following a Request for Proposal for a development and funding partner, Waterfront entered into a Framework Agreement in October 2017 with Sidewalk Toronto, Limited Partnership – a newly created entity, and affiliate of Sidewalk Labs. The Framework Agreement sets out the basic terms and principles for the Quayside and Eastern waterfront Master Innovation and Development Plan (MIDP).
- Under the Framework Agreement, WT and Sidewalk Toronto are working on establishing a Partnership Development Agreement, a public document that will provide a work plan to ultimately complete the MIDP by the end of the calendar year. The Development Agreement will consist of commercial terms pertaining to Sidewalk’s Funding Contribution (\$50M USD) under the Framework Agreement to prepare the MIDP. The Development Agreement will include principles regarding collaboration, government relations, **digital policies**, and intellectual property to ensure there is alignment in the overall approach and policy considerations of the MIDP. A draft Development Agreement will be available for review by Waterfront’s Board of Directors and review by the three levels of government in early-mid July.
- At the same time Waterfront and Sidewalk are undertaking a public engagement process involving town halls and other means to keep the public informed and reflect feedback in the Quayside initiative as it moves forward. Waterfront has also established an arms-length Data Strategy Advisory Panel to provide insight on ethics, accountability, transparency, protection of personal privacy, data governance and cyber security as the Quayside initiative develops.
- Since the federal government is not a funding partner in the Quayside project, its interest in Waterfront’s engagement with Sidewalk is to understand how activities will inform Government of Canada policy development on data ownership/control, privacy and ethics, and collaborate with the other orders of government on these issues.
- INFC has been monitoring data and privacy issues related to Waterfront and the Quayside project– mindful of the national conversations on these issues and possible higher level approaches being considered by the Government of Canada. INFC further acts as a portal for linking to the broader federal community on policy questions and other issues.

KEY ISSUES

- The Advisory Panel, comprising experts from academia, civil society organizations and the business community, is presently reviewing and advising on draft guiding digital design principles to be included in the Development Agreement. Their purpose is to ensure that digital innovations and solutions protect personal privacy and civil liberties while providing shared benefits, including as an economic catalyst for open innovation, and to inform the broader public policy dialogue on digital technology and data. They are broadly grouped within the following themes:
 - **Privacy** - individual control over how personal information is collected, used, and shared.
 - **Data stewardship** - the use, control, ownership, and storage of data.
 - **Access to data** - how broadly and on what terms data is made available.
 - **Data security** - protecting data and minimizing the potential for breaches.
- Regarding Data Stewardship, two aspects coming out of Advisory Panel deliberations and the public engagement process are the concept of a "Data Trust" and the issue of "data residency."
- A "Data Trust" refers to a mutual organisation formed to manage data on its members' behalf. Participants would pool their data forming a trust, stipulating conditions under which data could be shared. The trust would retain a duty of care without conflicting goals such as making a profit or furthering a research career. Waterfront and Sidewalk are considering whether such an approach may be appropriate in the context of Quayside.

- 
- Data residency (where data is stored) has come out as a sensitivity within the Waterfront/Sidewalk public engagement process. Members of the public have expressed the view that data collected as part of the Quayside project be retained in Canada. As data residency and routing laws do not require data to be stored in Canada, it is expected that heightened public attention will be paid to how the Development Agreement addresses this element.

Annex A provides more context on these themes and includes critical questions the DSAP is drawing on in its analysis of the draft principles which, numbering at around 25, will either meet or exceed applicable Canadian legislative/regulatory requirements in these areas. You may wish to draw upon these in engaging in discussions during the retreat.

<div>Glenn Campbell Assistant Deputy Minister Investment, Partnerships and Innovation Branch</div> <div>Date</div>
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Annex A – Context and Questions on Responsible Data Use in the context of Quayside

ANNEX - Context and Questions on Responsible Data Use in the context of Quayside (developed by Sidewalk Labs)

Privacy

Privacy is about individual control over how personal information is collected, used, and shared. Different rules and protections may apply to different kinds of data, depending on the extent to which individuals can be identified from the data. Sidewalk Toronto (ST) will, however, implement appropriate guidelines and policies governing the use of all data, including data that is not personal information, such as environmental data. In respect of privacy, ST has voluntarily made the following commitments:

- Sidewalk will always inform individuals of how and why their personal information is being collected and used, and we will do so in a way that is proactive, clear, and easy to understand.
- Sidewalk will embed data privacy into everything we do from the very start, an approach known as Privacy by Design.
- If a service to which you opt in requires individual identification, you will have meaningful control over how your information is used. Otherwise, data that includes personal information will be “de-identified” by default— anonymized and designed not to trace back to any individual.
- Sidewalk will seek meaningful consent from individuals and honour their choices.
- Sidewalk will conduct privacy impact and threat risk assessments to help ensure that privacy and security risks are identified and adequately addressed in the design of new technologies and programs.
- Sidewalk will publish summaries of the privacy implications of key initiatives in advance, as guided by the Data Governance Advisory Working Group.
- Sidewalk will not sell personal information to third parties, or use it ourselves for advertising purposes.

In addition to these commitments, Sidewalk continues to explore several questions related to privacy, including:

- **What does “meaningful consent” look like with data collected in the public realm—for instance, with cameras located at intersections to help improve street safety?**
- **Are there some types of collection and uses of personal information that should never be considered?**
- **How can ST plan to improve digital literacy so all stakeholders—including individuals, government, and companies—better understand the benefits and their choices?**

Data Stewardship

Data stewardship is about the use, control, ownership, and storage of information. It includes considerations such as governance (who oversees decisions related to data use), data residency (where data is stored), and usage terms (how data is licensed or shared). A strong policy on data stewardship must thoughtfully balance public and individual interests. The questions on data stewardship that we are exploring include:

- **What are some conventional approaches to data ownership in cities, and what are their strengths and weaknesses?**
- **What responsibilities come with “owning” data (such as security or infrastructure maintenance)?**
- **What are the technological, economic, and security-related advantages and disadvantages of requiring data to be stored in Canada?**
- **Are there viable innovative models of governing urban data, such as establishing a non-profit data trust that oversees decisions?**
- **If an independent entity such as a data trust were to exist, what impact might that review process have on the speed of innovation?**

Access to Data

Access to data deals with questions of how broadly and on what terms data is made available. Open access encourages participation, innovation, learning, and improvements in all aspects of public life while also discouraging lock-in around specific products or companies (including our own). To achieve that goal, Sidewalk Toronto envisions a digital platform governed by open standards, providing well-designed, well-documented, and well-supported APIs to third-party developers. The questions on access to data that we are exploring include:

- **What processes should be used to decide what data is made public, and how can these processes address privacy and public safety concerns?**
- **How could an open data protocol for Sidewalk Toronto complement the city’s existing Open Data Catalogue?**
- **How do we encourage a vibrant startup community while making sure it uses data in ways that benefit neighbourhoods?**
- **What is the right balance to strike between making data broadly available and ensuring that entrepreneurs have the necessary incentives to set up shop and develop intellectual property as part of Sidewalk Toronto?**

Data Security

Data security is about protecting data and minimizing the potential for breaches. We will work with best-in-class security solutions and partners to protect data that has been collected, and require anyone who uses this platform to meet the same high standard of security. We will welcome third party audits of our security and de-identification protocols. The questions on data security that we are exploring include:

- **What are strategies for achieving both open digital infrastructure and best-in-class security?**
- **How do we make our systems easily auditable and transparent?**
- **How do we enforce a rigorous security policy without creating a barrier to entry for startups?**
- **What type of transparency should exist around security threats or breaches**

BRIEFING NOTE TO THE MINISTER

WATERFRONT TORONTO CORPORATE PLAN 2017–2018
KEY HIGHLIGHTS AND SUMMARY

(For Information)

ISSUE

- The purpose of this note is to provide key highlights from the Waterfront Toronto (WT) 2017–2018 Corporate Plan, which outlines WT's strategic direction and capital investments as well as key corporate and project deliverables for the year.

OVERVIEW

- On December 22, 2016, WT released its 2017–2018 Corporate Plan, which was approved by its Board of Directors on December 12. A summary of the Plan can be found in Annex A. The official WT 2017–2018 Corporate Plan can be found in Annex B.
- 2017–2018 will be a transitional year for WT, as it shifts its focus to an emerging strategy with new direction called Waterfront+, reflecting the vision of its Chief Executive Officer, Mr. Will Fleissig. WT's newly refined, overarching strategic objectives are:
 - Prosperity – Leveraging innovation and partnerships to deliver economic growth and new jobs.
 - Sustainability – Promoting cutting-edge solutions to reduce carbon emissions, while promoting a high quality of life and improving public health.
 - Neighbourhood – Advancing complete communities that address the need for housing, mobility and access, connectivity and inclusivity.
 - Destinations – Creating enduring value through well-designed and vibrant cultural, recreational, civic and public spaces for residents and visitors.
 - Engagement – Cultivating a high-performance and listening organization, promoting deep stakeholder trust, broad community outreach and consequential citizen feedback using robust data analysis and superior interactive web tools.
- WT is focused on meeting its project deliverables for this period, including three key “transformational projects”, which reflect the objectives above and are detailed in Annex A.
- Furthermore, WT is working to develop and implement a corporate-wide performance measurement framework for 2017–2018.

CONSIDERATIONS

- WT's funding profile is currently undergoing a shift aimed at reducing dependency on government funding, and incorporating a higher proportion of revenue derived from non-governmental sources. These may include revenue from land sales, philanthropic contributions, differed contributions and borrowing.

PROTECTED B
PROGRAM OPERATIONS BRANCH
NORTH, ATLANTIC, ONTARIO DIRECTORATE

- Nevertheless, for 2017–2018, the ratio of government funding to other revenues is expected to be approximately 56 percent. For the key, transformational \$1.25-billion Port Lands Flood Projection Project, WT is currently seeking to secure targeted funding from the three levels of government for the second calendar quarter of 2017.
- Meanwhile, the Corporation is prepared to risk manage the funding transition and references a Capital/Revenue Reserve amounting to \$25 million as provision for any unforeseen increases in costs.
- Lastly, the Corporate Plan 2017–2018 brings to light considerations for Infrastructure Canada regarding the long-term plans of WT beyond its 2021 mandate.

CONCLUSION

- As WT moves forward with developing a five-year business plan based on the refreshed mandate, vision and strategic priorities, we will keep you apprised of new developments.

Jean-François Tremblay
Deputy Minister
Infrastructure and Communities

Date

Attachments:

Annex A – Summary of Waterfront Toronto Corporate Plan 2017–2018
Annex B – Waterfront Toronto Corporate Plan 2017–2018

SUMMARY OF WATERFRONT TORONTO CORPORATE PLAN 2017–2018

Newly Refined Strategic Objectives

- Waterfront Toronto (WT) is focusing its efforts around an emerging strategy with new direction called Waterfront+. While the corporate strategy and direction are currently under review, WT's newly refined, overarching strategic objectives have been identified and characterized below:
 - Prosperity – Leveraging innovation and partnerships to deliver economic growth and new jobs.
 - Sustainability – Promoting cutting-edge solutions to reduce carbon emissions, while promoting a high quality of life and improving public health.
 - Neighbourhood – Advancing complete communities that address the need for housing, mobility and access, connectivity and inclusivity.
 - Destinations – Creating enduring value through well-designed and vibrant cultural, recreational, civic and public spaces for residents and visitors.
 - Engagement – Cultivate a high-performance and listening organization, promoting deep stakeholder trust, broad community outreach and consequential citizen feedback using robust data analysis and superior interactive web tools.

2017–2018 Key Deliverables: Projects

- WT is committed to achieving key project deliverables for the 2017–2018 fiscal year, which account for approximately 87 percent of the Corporation's 2017–2018 Capital Investment Plan of \$135 million. These include 3 Transformational Projects which incorporate WT's new innovation, funding and engagement strategic objectives (see full list of projects including transformational projects below).
- In addition, WT is committed to implementing a corporate-wide performance measurement framework (PMF) in 2017–2018 and anticipates formally reporting its 2016–2017 Corporate Plan against the new PMF in June 2017. WT's 2017–2018 Corporate Plan will be reported on a quarterly basis throughout the year.
- List of Key Project Deliverables and Spending in 2017–2018:
 1. The Bentway (\$12.7M) – public space (not part of capital investment plan)
 2. Queens Quay Revitalization (\$2.5M) – waterfront boulevard
 3. Jack Layton Ferry Terminal (\$1M) – ferry terminal (Key Priority – Transformational project)
 4. Bayside Phase I (\$8.2M) – residential development
 5. Bayside Phase II (\$21M) – residential development
 6. Quayside (\$0.8M) – mixed use (Key Priority – Transformational project)

7. Queens Quay East and Parliament Street Intersection (\$15M) – foundational work for Keating Channel Precinct Plan and Lower Don Lands Transit Environmental Assessments
 8. Stormwater Management Facility (\$15.1M) – stormwater management
 9. Essroc Quay Lakefilling (\$40M) – stabilizing shoreline, flood protection, foundational work
 10. Villiers Island Planning (\$0.5M) – mixed-use
- From a longer-term perspective, is the Port Lands Flood Protection project (no spending to date) – flood protection (Key Priority – Transformational project). WT completed a 15-month Due Diligence Report that provides greater certainty on the cost estimate, schedule and risks associated with the proposal. Key findings include a cost estimate of \$1.25 billion with a 7-year construction timeline. Currently, WT is discussing funding with government partners and target funding to be in place for the second calendar quarter of 2017.

2017-2018 Key Deliverables: Corporate

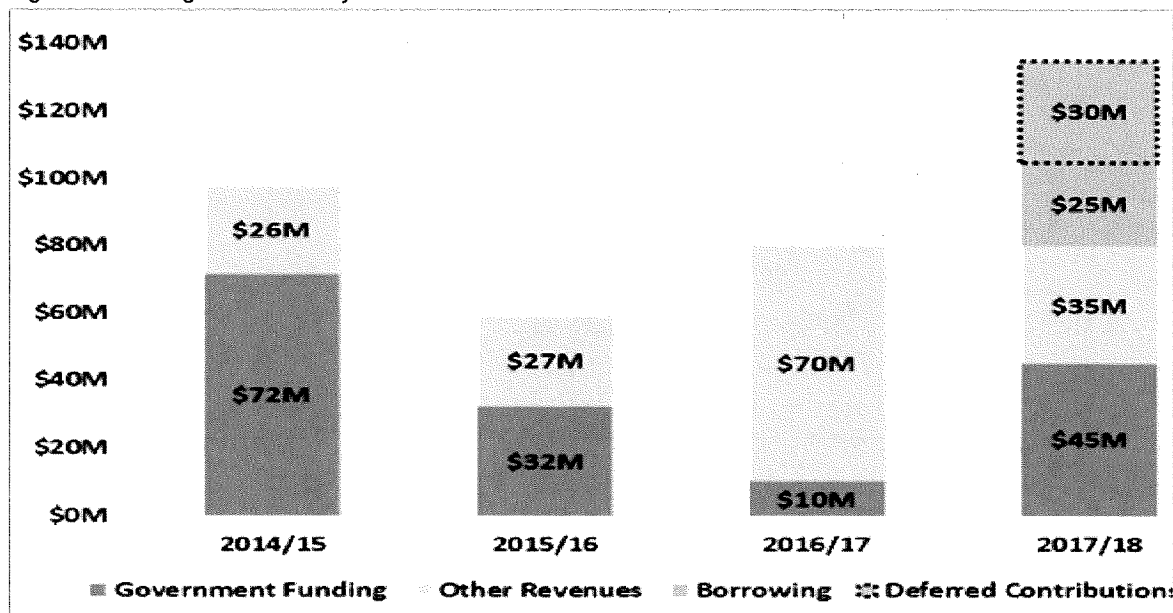
- WT's forecasted 2017–2018 corporate spending equals \$12.1 million and is comprised of \$5.3 million direct and \$6.8 million indirect costs. (Direct costs: cross-functional integrated project teams. Indirect costs: core support).
- WT's key corporate deliverables include: the implementation of the new strategy, objectives, priority projects and initiatives; implementing organizational restructuring and integrated resourcing plan; and updating information technology by replacing end-of-life equipment, replacing the current financial accounting system, and reducing information technology dependency.
- WT's Strategic Initiatives Deliverables include:
 - community engagement, stewardship and community building;
 - continued government relations;
 - funding, philanthropy, corporate sponsorship and revenue generation;
 - developing innovation and sustainability; and
 - establishing partnerships and economic development.

SUMMARY OF WATERFRONT TORONTO CAPITAL INVESTMENT PLAN 2017–2018

- Capital Costs: For 2017–2018, the majority of the Corporation's planned capital investment of \$135 million will be focused on construction of the stormwater management facility; construction of local streets and public realm elements in East Bayfront; construction of Essroc Quay lakefilling; and construction of key elements for The Bentway.

- **Staffing Costs:** Human resources processes have been streamlined allowing WT to reduce its human resources budget by 4 percent compared to the 2016–2017 approved budget. In addition, overall staff complement for 2017–2018 has reduced from 65 to 56 full-time employees and contract positions.
- **Funding:** WT funding profile is now undergoing a shift to include a higher proportion of revenue derived from land and other related sources with less reliance on government funding. (To date, WT will have invested approx. \$1.3 billion of government seed capital into waterfront revitalization.)
- For 2017–2018, the ratio of government funding to other revenues is expected to be approximately 56 percent (\$45 million), as a direct result of new funding under the Clean Water and Wastewater Fund (CWWF). Under the CWWF, WT will receive \$65 million, \$40 million of which will be flowed in 2017–2018 for Essroc Quay lakefilling.
- The balance of \$90 million needed to fund remaining planned capital investments for 2017–2018 will be sourced as follows (see Figure 1):
 - Other Sources: \$35 million mainly through sales of publicly owned waterfront lands (\$21 million) together with philanthropic contributions of The Bentway (\$9 million);
 - Borrowing: \$25 million in borrowing. According to WT, forecasted revenues in 2018–2019 to 2019–2020 are expected to exceed forecast expenditures by a total of \$32.8 million. WT anticipates fully repaying its loan during this period; and
 - Deferred Contribution: \$30 million in deferred contributions (surplus government funding and unspent revenues).

Figure 1: Funding Breakdown by Source



- Cash Flow Management: WT will continue to assess its cash flow on an ongoing basis to ensure its continued ability to meet financial obligations. The change in funding profile (reduced dependency on predictable government revenue) will require WT to address new risks and complexities in managing cash flows.

Risk Management

- For 2017–2018, WT will focus on risk management strategies to address key risk categories, which may impact the fulfillment of its objectives and deliverables during the fiscal year.
- Project risks include unforeseen project issues and associated cost escalation. As a contingency measure, WT has established a Capital/Revenue Reserve amounting to \$25 million as provision for any unforeseen increases in project cost. To date, this reserve has never been utilized.
- Financial sustainability risks are related to uncertainty in relation to future revenue. These will increase as WT moves towards greater reliance on its own resources and as uncertainties related to economic factors will not be fully mitigated. Since 2015, WT now has the ability to borrow, which provides needed financial sustainability. Furthermore, WT can tap into its Capital/Revenue Reserve for unforeseen circumstances.

NEXT STEP

- WT will move forward with developing a five-year business plan based on the refreshed mandate, vision and strategic priorities. The plan will also include the performance management framework and details on how it will be implemented.



WATERFRONToronto



2017/18 Corporate Plan

December 12, 2016

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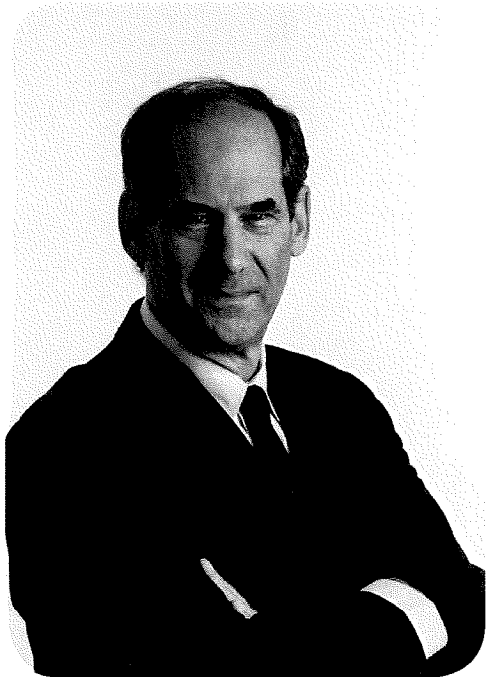
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A Message from the CEO

William Fleissig



For over a decade Waterfront Toronto has been making the revitalization of Toronto's waterfront a reality. From planning and development, to designing and constructing, the transformation of the city's formerly industrial waterfront into new communities and public spaces is visibly well underway. Our investment to date of \$1.3 billion of largely government funding has resulted in private sector investments, which have generated \$3.2 billion in economic output to the Canadian economy; \$622 million in government revenues; and 16,200 full-time years of employment.

For this, we can thank the leadership of my predecessor John Campbell. He led Waterfront Toronto from its inception until the end of 2015 and handled the difficult task of demonstrating to three levels of government and the public that a revitalization program – one that integrates flood protection, beautiful parks, enhanced pedestrian/bike mobility, transit, mixed-income housing, and economic development – was not only the right vision, but a winning strategy to attract private investment.

With John's departure, I now have the privilege of leading this organization. It is time for us to reflect, assess and evolve. We are examining how Waterfront Toronto delivers on our original mandate: How do we interpret our original goals in the context of changing government policies and an evolving market? What does that mandate mean now? How should Waterfront Toronto's priorities change? How do we measure the impact of our work? How do we work with our partners to improve our coordination and efficiency?

The context in which we are operating has changed since 2001: Toronto is the fastest growing large metropolitan area in North America; the downtown core is adding more jobs and residents at a robust rate, and is expanding towards the waterfront; there is a backlog of critical urban infrastructure; government funding is constrained; new technologies are changing the employment market; housing is a challenge – particularly for working class families; climate change imperative is a reality that must be acknowledged; and, urban mobility is a growing challenge.

We are focusing our efforts around an emerging strategy called Waterfront⁺ to better understand and articulate the challenges that Toronto – and cities around the world – are facing: climate change, mobility, inclusivity, economic growth, accessibility and connectivity. How can our efforts advance innovative solutions to these challenges that both fulfill our mandate and produce new city-building models for the region and the country?

Our new direction is not an overnight decision; it is a process that takes time. We have to adjust how we work and how we are organized. Accordingly, this document reflects an organization in transition.

Regardless of this process, we do know there are immediate challenges that we can tackle to accelerate the waterfront's revitalization. We have a great design for one of the most important public spaces in the city, the Jack Layton Ferry Terminal. Every year, 1.34 million residents and visitors pass through the Ferry Terminal on their way to the Toronto Islands. This space – the gateway to one of Toronto's most cherished places – can and should become an iconic symbol for Toronto and the entire waterfront.

Further east, in Toronto's Port Lands, a vast and underutilized area awaits revitalization. Roughly the size of two High Parks, the Port Lands sit in the Don River's flood plain, just steps from our growing downtown – the region's economic engine. Waterfront Toronto's plan to flood protect the Port Lands and unlock its immense potential will create new communities, parks and public spaces. This has been an ongoing priority that the governments of Canada, Ontario and Toronto have given Waterfront Toronto since our creation. The plan is now front and centre in addressing governments' climate change, economic development and green infrastructure agendas, and we are ready to implement it.

In this report, you will find a summary of our transitional plans for the 2017/18 fiscal year. I invite you to watch our website in the months ahead, as our organization works to evolve and find new ways to make the waterfront a testbed for new approaches, methods and technologies. We are intent on making a critical contribution to Toronto's economic, social, and environmental well-being – one that will serve as an example to other cities around the world.

W.K. Fleissig

Will Fleissig
President and CEO



Will Fleissig in the Port Lands for an announcement on the Essroc Quay Lakefilling Project with (L-R) Mayor John Tory, Provincial Minister of Infrastructure, Bob Chiarelli, and Federal Minister of Infrastructure and Communities, Amarjeet Sohi.

Photo by Jack Landau at Urban Toronto.



Will Fleissig tours the Water's Edge Promenade in East Bayfront with (L-R) Federal Minister of Infrastructure and Communities, Amarjeet Sohi and Toronto-Danforth MP Julie Dabrusin.

Photo by Rick Madonik at Toronto Star.

A Message from the Chair

Mark Wilson



This year we enter the second era of waterfront revitalization with a new CEO and a renewed vision.

After our first decade of work, the West Don Lands community is filled with new residents of all ages and incomes, enjoying Corktown Common and Underpass Park. East Bayfront is alive with students at George Brown College, digital media talent at Corus Entertainment and visitors relaxing at Canada's Sugar Beach and Sherbourne Common. Four new buildings are being added to East Bayfront as it welcomes new residents and workers. Further west, Queens Quay has been transformed into a welcoming front door to the Central Waterfront.

Led by John Campbell until 2015, Waterfront Toronto has created and improved more than 36 hectares (90 acres) of parks and public spaces across 25 projects. We have developed nearly 600 affordable housing units and led the way in creating sustainable buildings and communities.

After an international search, Will Fleissig joined the Corporation as our new CEO in 2016. His broad and deep experience in both the public and private sectors bring a unique set of skills to propel us forward.

Led by Will, our second era will use development opportunities in Quayside, North Keating and the Port Lands districts to create climate-positive, complete communities and destinations that will showcase Canadian technology and expertise, and set a compelling example for other cities to follow.

The hallmark of our second era will be creating great neighbourhoods and destinations while addressing the challenges of climate change, inclusivity, mobility, accessibility and engagement. It will use innovation and partnerships across government, industry, academia and community to deliver economic growth and new jobs.

Join with us on this journey. We need all of you to succeed.

A handwritten signature in dark ink, appearing to read 'Mark Wilson'.

Mark Wilson
Chair

*Mark Wilson's term serving as Chair of the Board of Directors will end on December 31, 2016. Helen Burstyn is designated to serve as Chair of the Board of Directors beginning January 1, 2017, until such time as a Chair is appointed by the three levels of government, in accordance with the provisions of the Waterfront Toronto Act.

Board of Directors

Waterfront Toronto's Board is made up of 12 members and a Chair, jointly appointed by the three orders of government. Our Directors are highly engaged in the Corporation's activities and ensure that our mandate is delivered in an accountable and transparent manner.

Mark Wilson

Chair of the Board of Directors

Appointed by the City of Toronto from January 2002;

Reappointed by the Government of Canada

from March 31, 2016 to December 31, 2016

Elected Chair of the Board of Directors in January 2007.

Helen Burstyn

Distinguished Visiting Professor, Social Venture Zone, Ryerson University

Appointed by the Province of Ontario

from February 24, 2016 to February 24, 2019

Designated as Chair of the Board of Directors on January 1, 2017.

Mohamed Dhanani

Executive Officer at His Highness

Prince Aga Khan Shia Imami Ismaili Council

Appointed by the City of Toronto

from April 1, 2016 to March 31, 2019

Stephen Diamond

President and CEO, DiamondCorp

Appointed by the City of Toronto

from April 1, 2016 to March 31, 2019

Julie Di Lorenzo

President, Diamante Urban Corp

Appointed by the Province of Ontario

from November 4, 2015 to November 4, 2018

Merik Gertler

President, University of Toronto

Appointed by the Province of Ontario

from November 16, 2016 to November 15, 2019

Susan Henderson

President, Collins Barrow Toronto

Infrastructure Advisory

Appointed by the City of Toronto

from April 1, 2016 to March 31, 2019

David Johnson

Former Minister of Education

for the Province of Ontario

Appointed by the Government of Canada

from June 6, 2008 to June 6, 2017

Ross McGregor

Former President & CEO,

Toronto Region Research Alliance

Appointed by the Province of Ontario

from June 16, 2016 to June 10, 2019

Denzil Minnan-Wong

Deputy Mayor for the City of Toronto

City Councillor for Ward 34, Don Valley East

Appointed by the City of Toronto

from December 2, 2014 to December 2, 2017

Mazyar Mortazavi

President & CEO, TAS

Appointed by the Government of Canada

from January 1, 2017 to December 31, 2019

Sevaun Palvetzian

CEO, CivicAction

Appointed by the Government of Canada

from December 1, 2016 to November 30, 2019

Janet Rieksts-Alderman

Partner, Examine Consultants Canada

Appointed by the Government of Canada

from December 1, 2016 to November 30, 2019

Who we are

The Governments of Canada, Ontario and the City of Toronto created Waterfront Toronto in 2001 to oversee and lead the renewal of Toronto's waterfront. We are working to transform Toronto's waterfront for the people of Toronto, Ontario and Canada, to foster economic growth and to redefine how the city, province and country are perceived by the world.

Our mandate is to deliver a revitalized waterfront that brings together the most innovative approaches to sustainable development, excellence in urban design, real estate development, and leading technology infrastructure. We are delivering on important public policy objectives to:

- Reduce urban sprawl
- Develop sustainable communities
- Increase the supply of affordable housing
- Create more parks and public spaces
- Expand public transit
- Increase economic competitiveness

Toronto's new waterfront communities will help to keep the city competitive with major urban centres around the world for investment, jobs and talent. Our revitalization work is helping Torontonians and visitors reconnect with the waterfront as a place to live, work and play.

Vision Statement

As the steward of the waterfront, we are committed to executing a transformative vision that yields a waterfront belonging to, including and reflecting everyone.

We generate innovative solutions so we can develop a unique, exceptional waterfront in a remarkable city, building a legacy of beautiful, vibrant spaces and sustainable, prosperous communities.



Evolving Challenges & Opportunities

Since Waterfront Toronto's creation 14 years ago, many of the challenges and opportunities we have been charged with addressing have changed, much like the City of Toronto itself. We now see a sustained and healthy growth in jobs and population in downtown Toronto, which is increasingly moving towards the waterfront. With this growth comes greater demand for new infrastructure and affordable and inclusive housing options. We also see a growing need for new and improved parks, bike trails and pedestrian connections to serve downtown residents, workers and visitors.

The region's economy is characterized by long-term job growth in technology, finance, and creative industries. Our Federal, Provincial and Municipal governments are undertaking programs to combat climate change. At the same time, Waterfront Toronto continues to operate under a constrained government funding model that means we need to explore new approaches to funding waterfront revitalization.

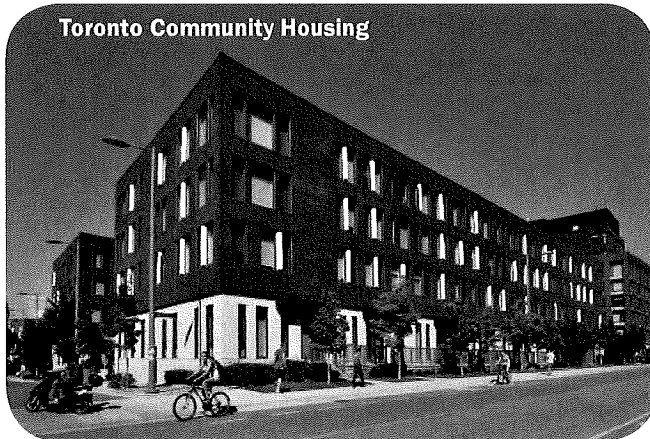
Waterfront Toronto is currently examining our strategy and priorities to ensure our next phase of revitalization will effectively address these current and evolving challenges and identify new opportunities that align with our evolving mandate.

As this process is ongoing, our corporate strategy is in transition for the 2017/18 year. However, at a high level, our future direction will be to use Waterfront Toronto projects as a testbed for new strategies, processes, models and technologies that will create more sustainable and livable communities and that will help address the challenges we have outlined. Our new waterfront communities will serve as an example and inspiration to other cities across Canada and around the world. We are also working to develop new partnerships that will support our evolving strategic direction and provide opportunities for Canadian companies and organizations to play an important role in waterfront revitalization.

Out of this strategic process, we will prioritize the programs and projects that best respond to our newly-refined strategic objectives, which can be found on page 9. We have also identified several projects as immediate key priorities, as they meet our strategic objectives and provide us the opportunity to test new approaches, technologies and partnerships at a transformational scale. These projects can be found on pages 10-12.

We expect to present an updated Corporate Plan early in our 2017/18 fiscal year.

Toronto Community Housing



Revitalized Queens Quay



Strategic Objectives — Waterfront⁺

Although our corporate strategy and direction are currently under review, the public policy objectives originally defined by our mandate have been refined as overarching strategic objectives. Moving forward, Waterfront Toronto's newly-refined strategic objectives – what we are calling Waterfront⁺ – will better address the challenges facing Toronto and other cities and help guide our decisions on priorities, projects and corporate initiatives.

Prosperity⁺ – Leveraging innovation and partnerships to deliver economic growth and new jobs.

The waterfront remains highly attractive for employers and employees and is the perfect testbed for nurturing Toronto's growing technology clusters and their proven multiplier effects on job growth.

Sustainability⁺ – Promoting cutting-edge solutions to reduce carbon emissions, while promoting a high quality of life and improving public health.

Canada has recognized the importance of reducing its carbon footprint and has committed to achieving this goal. New communities on the waterfront will set an example for other regions on how to achieve carbon reduction targets by piloting sustainable solutions and building climate-positive communities that foster growth in Toronto's cleantech industry.

Neighbourhood⁺ – Advancing complete communities that address the need for housing, mobility and access, connectivity and inclusivity.

Building complete, inclusive and accessible neighbourhoods is critical to the redevelopment, success and longevity of Toronto's waterfront. New waterfront neighbourhoods provide an excellent means to address some of Toronto's equity and inclusivity challenges. Ensuring the development of affordable housing is just one of the ways we plan to help promote equitable access across the waterfront.

Destinations⁺ – Creating enduring value through well-designed and vibrant cultural, recreational, civic and public spaces for residents and visitors.

As downtown Toronto continues to grow rapidly, the City is struggling to provide open space for many of the area's new residents. Toronto's waterfront provides ample opportunity for new and innovative parks and public spaces for new residents to enjoy and to build a live-work-play waterfront that will serve as an asset for the city, region and province.

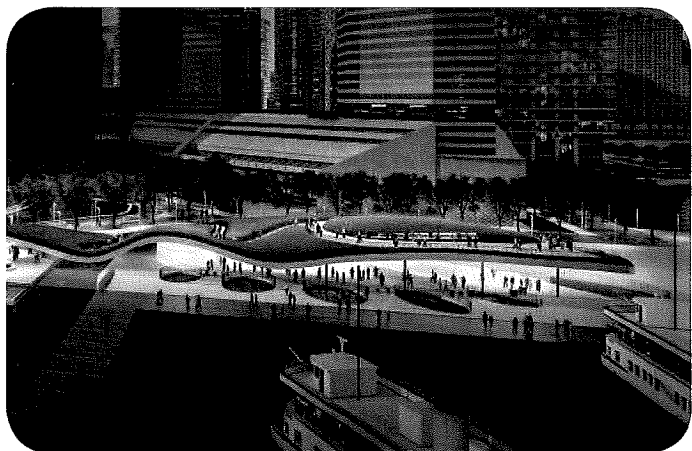
Engagement⁺ – Cultivate a high-performance and listening organization, promoting deep stakeholder trust, broad community outreach and consequential citizen feedback using robust data analysis and superior interactive web tools.

Broadening and deepening our engagement with the community and stakeholders allows us to create better outcomes. By having an open and honest dialogue with the public and by capturing and leveraging relevant data, we can create spaces and communities that better respond to the needs and desires of our diverse communities.

Transformational Projects

We have identified the following three projects as key priorities for Waterfront Toronto moving forward. Each project meets our newly-refined strategic objectives and gives us the opportunity to test out new models, technologies, strategies and partnerships that will respond to our evolving challenges. All three projects offer the opportunity to not only dramatically transform the City of Toronto and its waterfront, but to inspire other cities around the world.

Jack Layton Ferry Terminal



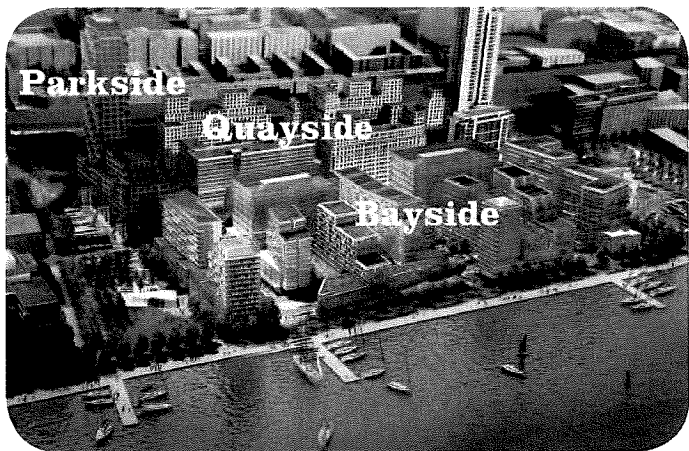
Located at the foot of Bay Street, the Jack Layton Ferry Terminal is the gateway to one of Toronto's most beloved and important parks – the Toronto Islands. More than 1.34 million residents and tourists pass through the terminal annually. Due to its prime location and important function as a transportation hub, the Ferry Terminal deserves an iconic presence. In fact, the terminal site has the potential to become a recreational, cultural and civic space unlike any other.

In 2014, Waterfront Toronto held an Innovative Design Competition for the Jack Layton Ferry Terminal and adjacent Harbour Square Park to develop a bold new design that would transform this cherished space. The winning design — called Harbour Landing by West 8, KPMB, and Greenberg Consultants — features a signature waterfront park that connects seamlessly to an iconic new terminal building. The expanded terminal building will enhance accessibility, open up unobstructed waterfront views to the public and create operational efficiencies for the ferry service. It will also offer space for new public amenities on the waterfront. The final master plan also proposes solutions to better connect the terminal site to nearby parks and public spaces and to Toronto's nearby downtown and central business district.

Work has been completed to refine the master plan, including identifying incremental improvements that can be delivered as funding and budget become available. This project presents an opportunity to engage new financing and delivery partners in innovative ways to deliver core elements of the master plan.

We are currently undertaking the funded Phase 1A of the master plan, which includes extending the new pedestrian promenade on Queens Quay south from Bay Street towards the entrance of the Ferry Terminal, installing children's play equipment and new lighting throughout the park. The promenade will feature red and grey granite pavers forming an iconic maple leaf pattern lined by a double row of trees. Phase 1A construction is scheduled to begin in 2017.

Quayside



Located on the north side of Queens Quay East, west of Parliament Street, Quayside will establish a precedent-setting waterfront community that will be on the leading edge of global best practices in the areas of design and sustainable city building. We will establish Quayside as a globally significant mixed-use project that showcases advanced technology and approaches for sustainable community development and encourages market transformation towards climate-positive waterfront development.

Quayside represents the first stage of our multi-phase initiative to support local, provincial and national solution providers in such sectors as clean technology, sustainable construction and energy systems by providing the opportunity to showcase Canadian innovations. Quayside will also enable early opportunities to prototype products that address pressing urban issues including inclusive housing, health and education. Along with the extension of transit and infrastructure into the eastern waterfront, Quayside will unlock the development potential of the Port Lands, allowing leading edge Canadian companies to go to scale and position their solutions globally.

In Quayside, we will establish a complete community that will provide a range of housing types for a variety of family sizes and income levels, within a robust mix of uses – including public open space, vibrant retail, offices, culture, recreation, maker space and education-related activities.

Quayside will also benefit from Canada's first open-access, ultra-high-speed broadband community network, which will give residential and business users access to advanced fibre-optic technology that delivers internet connection speeds that are exponentially faster than standard networks.

In 2017, we will be inviting submissions of qualifications from experienced teams ready to partner with Waterfront Toronto to deliver a distinctive and cutting-edge mixed-use community in the near future.

Port Lands Flood Protection

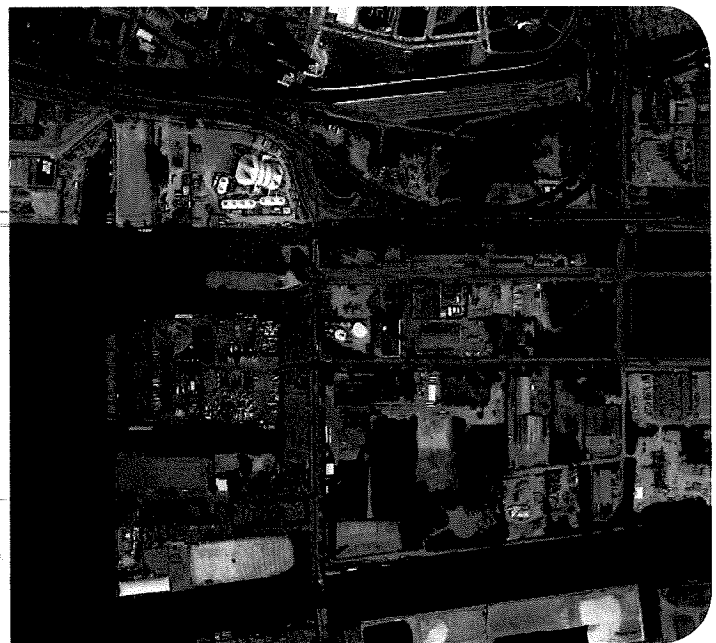
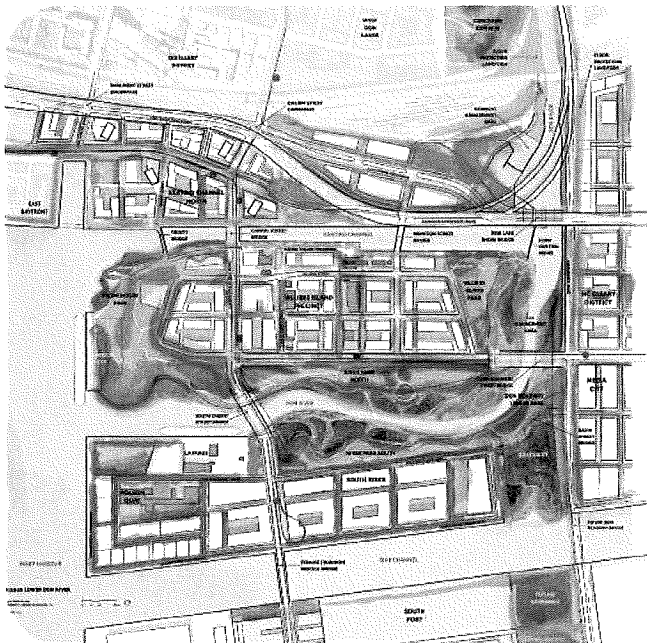


The Port Lands is a 400 hectare (880 acres) parcel of downtown waterfront land that was once one part of the largest wetlands on Lake Ontario and now is a massive underutilized, contaminated brownfield site.

Currently, about 290 hectares (715 acres) in the area – including parts of Riverside, Leslieville and the First Gulf/Unilever development site – are at risk of flooding from the Don River and cannot be developed until they are flood protected.

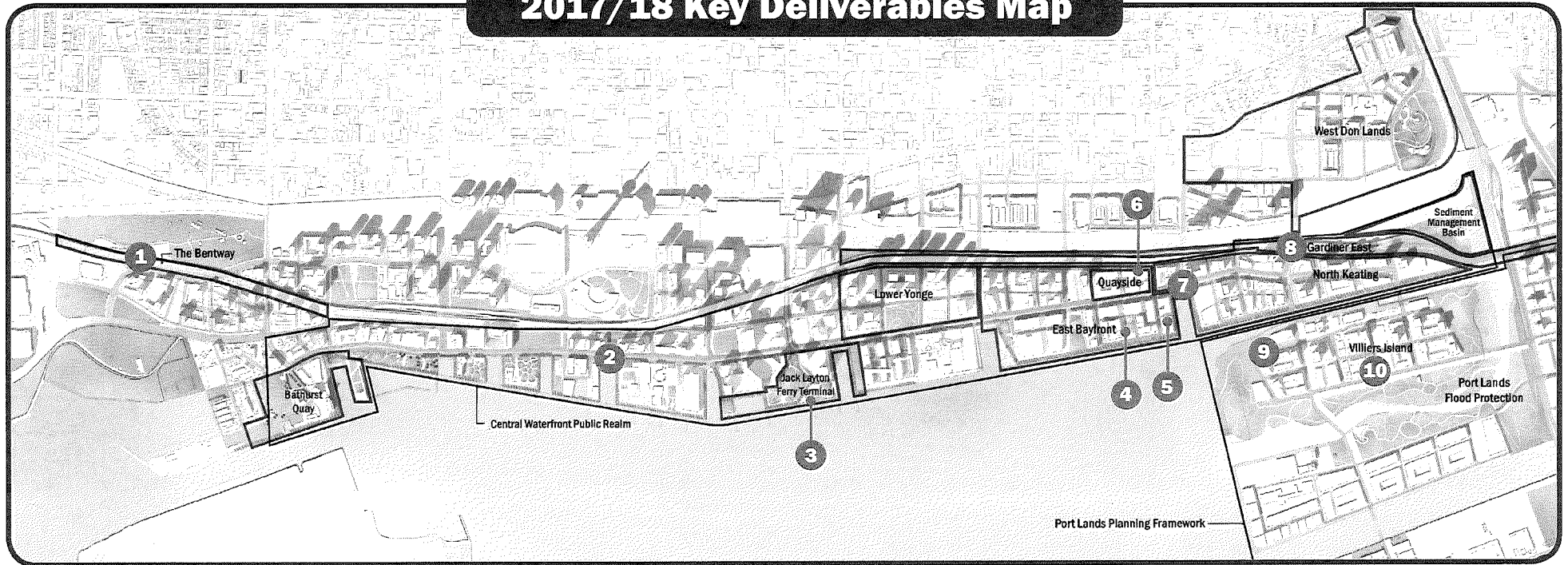
In order to remove these lands from the flood plain and unlock their tremendous value, the Port Lands need to be flood protected. The Port Lands Flood Protection project would create a new mouth for the Don River, restore wetlands, create parks and open spaces and mitigate the risks and costs associated with major flooding while allowing for the development of new waterfront communities. This project will also spur innovation, economic growth and create jobs; adding \$5.1 billion in value to the Canadian economy, creating 51,900 full time years of employment, and generating \$1.9 billion in government revenues.

No other North American city has such a large piece of undeveloped land adjacent to downtown or a plan to unlock such large-scale waterfront development. In October 2016, we completed a 15-month Due Diligence Report that provides greater certainty on the cost estimate, schedule and risks associated with the proposal to flood protect the Port Lands. Key findings include a cost estimate of \$1.25 billion with a seven-year construction timeline. Currently, we are discussing funding with our government partners and target funding to be in place for the second quarter of 2017.



An artist's rendering of the flood protected Port Lands and an aerial view of the existing Port Lands conditions.

2017/18 Key Deliverables Map



This map represents the Toronto waterfront in its full vision. This includes parks, public spaces and amenities, and residential and commercial developments that are completed, under construction, or planned for the future. In addition to Waterfront Toronto projects, this map represents City of Toronto and other government agency projects to be completed.

- | | | | |
|-------------------------------------|---------------------------|--|------------------------------------|
| 1 The Bentway | 4 Bayside Phase I | 7 Queens Quay East & Parliament Street Intersection | 9 Essroc Quay Lakefilling |
| 2 Queens Quay Revitalization | 5 Bayside Phase II | 8 Stormwater Management Facility | 10 Villiers Island Planning |
| 3 Jack Layton Ferry Terminal | 6 Quayside | | |

2017/18 Key Deliverables: Projects

Based on our strategic priorities and transformative projects outlined in Section 3, together with the Corporation's 2014-2023 Strategic Business Plan approved in 2014, we aim to achieve the following key project deliverables for our 2017/18 fiscal year from April 1, 2017 to March 31, 2018. These projects account for approximately 87 per cent of the Corporation's 2017/18 Capital Investment Plan of \$135 million outlined in Section 5. The deliverables are listed geographically west to east and correspond to the map on page 13.

In addition, Waterfront Toronto is committed to implementing a corporate-wide performance measurement framework in 2017/18. Such a framework will be aligned to the Corporation's overall vision and core strategic objectives. The purpose of a corporate-wide performance measurement framework will be two-fold:

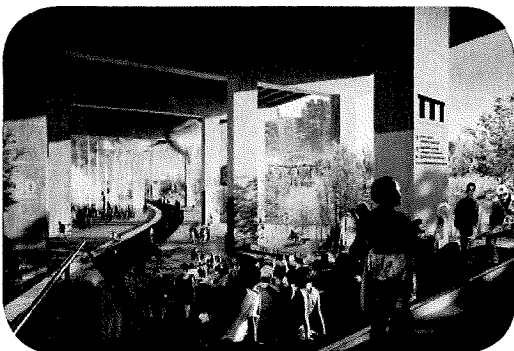
1. To enable us to measure and formally report our performance against the goals and objectives set out in our annual corporate plans and five-year business plans; and
2. To provide a graphical dashboard with real time information that can be used to drive both critical business decisions and to transparently show progress towards strategic goals.

The framework will build on our existing sustainability framework and will seek to include a manageable set of key performance indicators that are efficient, resilient and SMART (specific, measurable, attainable, relevant and time-bound).

Waterfront Toronto anticipates formally reporting its 2016/17 Corporate Plan against the new performance measurement framework in June 2017; and its 2017/18 Corporate Plan on a quarterly basis throughout 2017/18. The capital investments and related deliverables outlined in this plan are based on the current secured funding sources outlined in section 6 of this Plan. To the extent that Waterfront Toronto is able to secure additional funding sources subsequent to the approval of this Plan, the Corporation reserves the right to amend this plan to reflect the resulting increase in value and scope.

1 The Bentway

Waterfront Toronto is overseeing design and construction of The Bentway, a unique and innovative public space. The project will transform the vacant and forgotten area beneath the Gardiner Expressway into a new gathering place for our city's growing population. Stretching from Strachan to Spadina Avenue, this 1.75-kilometre trail and series of public spaces will knit together seven neighbourhoods. This dynamic new urban corridor will activate the community with a continuous multi-use trail providing access to year-round activities and events.



2017/18 Spend: \$12.7 million

2017/18 Key Deliverable: Complete construction of Phase 1: Fort Frontage, Shingle Beach and Shoreline Gardens, the recreational trail from Iannuzzi Street to Spadina Avenue, the skating trail and the skating building.

2 Queens Quay Revitalization

The revitalized Queens Quay reopened to the public in June 2015, after three years of construction. Once a street that featured insufficient room for pedestrians, poor design and aging infrastructure, Queens Quay has been transformed into a beautiful waterfront boulevard that has become a major destination along the water's edge. Its pedestrian and cycling-friendly promenades encourage an economically vibrant area that serves as a destination for locals and visitors alike. The new Queens Quay includes a separated TTC right-of-way, a new section of the Martin Goodman Trail that provides an unbroken cycling connection across the downtown waterfront and an enlarged pedestrian promenade. Under the street, key infrastructure has been replaced or upgraded, including power, gas, water, sewage and telecommunications systems.

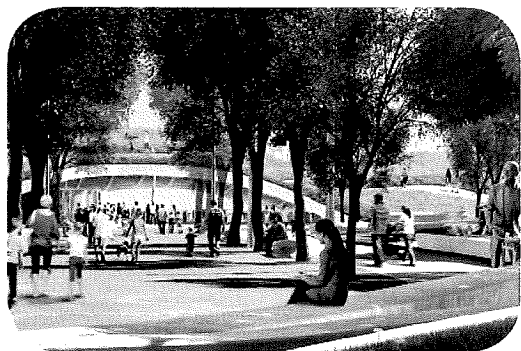


2017/18 Spend: \$2.5 million

2017/18 Key Deliverable: With the pending completion of the underground electrical distribution infrastructure, Waterfront Toronto will be transferring the temporary overhead power connections to the new underground system and replacing older hydro poles with our signature light poles. The work will commence pending Toronto Hydro's completion of the new infrastructure, and is expected to take six to seven months to complete.

3 Jack Layton Ferry Terminal - Phase 1A

Located at the foot of Bay Street, the Jack Layton Ferry Terminal is the gateway to one of Toronto's most beloved and important parks – the Toronto Islands. In 2014, we held an Innovative Design Competition that produced a bold new design for the Ferry Terminal. Waterfront Toronto is working with the City of Toronto to develop new partnerships to complete the project, which will be delivered in phases as funding becomes available. For more information on the Jack Layton Ferry Terminal, please see page 10.



2017/18 Spend: \$1 million

2017/18 Key Deliverable: Complete the design and construction of the entrance plaza to the Jack Layton Ferry Terminal at the corner of Queens Quay and Bay Street, which includes landscaping, play equipment and the extension of the Queens Quay pedestrian promenade from Bay Street to the Ferry Terminal entrance. These elements will be completed first in order to give the Ferry Terminal the prominence it deserves in welcoming visitors and residents to this iconic location. It also hints at the future improvements

to come at the Ferry Terminal and adjacent Harbour Square Park. Waterfront Toronto expects to open the entrance plaza and play feature for public use prior to May 2018 for the Ferry Terminal's seasonal opening.

4 Bayside Phase I

Located in the evolving East Bayfront neighbourhood and our largest residential development to date, Bayside will transform an underutilized, industrial area into an active, diverse and sustainable mixed-use community and thriving waterfront destination. Phase 1 is already well underway with the construction of two residential buildings, Aqualina and Aquavista. Aquavista will feature 228 units, 80 of which will be affordable rental units to be operated by Artscape. Aquavista will be located just west of Aitken Place Park – a multi-purpose space connecting Bayside to the broader East Bayfront neighbourhood. The park will include places for children and pets to play, quiet spots to relax and enjoy waterfront views, and a connection to the Water's Edge Promenade along Lake Ontario.



2017/18 Spend: \$8.2 million

2017/18 Key Deliverables:

- Commence construction of the public realm elements of the private street (Edgewater Drive) for Aquavista with target completion date of June 2018.
- Initiate Aitken Place Park construction in Bayside with target completion by June 2018.

5 Bayside Phase II

Phase II of Bayside will occupy the eastern end of the site and will feature the extended Water's Edge Promenade, which will provide residents and visitors uninterrupted access to the lakeside. The promenade will feature a 10 metre-wide granite maple-leaf mosaic, signature benches and light poles, and a double row of maple trees that offer pedestrians shelter from the sun and wind. It also provides connections to a variety of nearby amenities including Sugar Beach, Corus Entertainment, George Brown College, Sherbourne Common, and Aitken Place Park.



2017/18 Spend: \$21 million

2017/18 Key Deliverables:

- Complete construction of the public local streets. This includes relocation and reconstruction of the combined sewer outfall below Small Street and the construction of new streets, underground utilities including water, sewer, hydro and gas, and public realm to service the eastern half of the Bayside development.
- Register Phase II Plan of Subdivision for Bayside: The plan will create new, separate parcels of land in Bayside that can then

be legally used for the sale of development lots. Registration of the plan is expected to be completed in August 2017.

- Obtain Record of Site Condition (RSC) from the Ontario Ministry of the Environment and Climate Change (MOECC); the RSC will summarize the environmental condition of the area, based on the completion of environmental site assessments. Waterfront Toronto expects to obtain the RSC in August 2017.

- Complete all financial commitments to Toronto Hydro for the design, permitting and construction of hydroelectric infrastructure for Bayside Phase II. Completion of this deliverable is contingent on confirmation of Toronto Hydro's payment schedule.
- Complete the first 90 metres of public realm infrastructure for the Water's Edge Promenade in Bayside Phase II. This includes lighting and landscaping (signature benches, double row of maple trees, red and grey granite maple-leaf mosaic).
- Complete the electrical room inside Tridel's Aqualina for the Water's Edge Promenade in Bayside.
- Complete the reinforcements to dockwalls for the balance of the Bayside Phase II water's edge, including Parliament Slip.

6 Quayside

Quayside is a development area on the north side of Queens Quay East, west of Parliament Street. Waterfront Toronto aims to establish Quayside as a globally significant mixed-use project that showcases advanced technologies and approaches for sustainable community development and encourages climate-positive waterfront development. Quayside will enable early opportunities to prototype product development that will address pressing urban issues such as inclusive housing, health, education and mobility, as well as provide the opportunity to showcase innovations at a significant scale, and assist companies in growing to scale and positioning their solutions globally. For more information on Quayside, please refer to page 11.



2017/18 Spend: \$0.8 million

2017/18 Key Deliverable: Select integrated delivery partner(s) for the Quayside development. We plan to issue a Request for Qualifications for the Quayside development in early 2017. The procurement process is expected to be completed by the end of 2017.

7 Queens Quay East & Parliament Street Intersection

In order to accommodate the foundational public infrastructure required for the continued development of the eastern Waterfront along Queens Quay East from Small Street to Cherry Street, the intersection of Queens Quay East and Parliament Street must be realigned. This change implements elements of the Toronto City Council-approved Keating Channel Precinct Plan and the Ministry of Environment and Climate Change-approved Lower Don Lands and East Bayfront Transit Environmental Assessments.

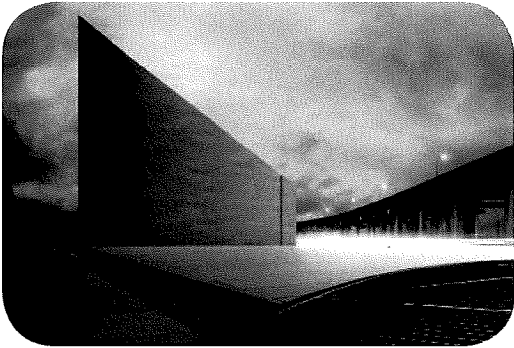


2017/18 Spend: \$15 million

2017/18 Key Deliverable: Initiate the process to secure lands and further develop the design for the Parliament Street realignment and Queens Quay East extension.

8 Stormwater Management Facility

The Stormwater Management Facility will serve the East Bayfront, West Don Lands and future Keating Channel neighbourhoods by receiving and treating stormwater run-off created by rain and melting snow. The facility will safely convey run-off, prevent flooding and remove pollutants before the water is discharged into Lake Ontario. This helps protect the health of our lake, the plants and animals that thrive in it, and our city's drinking water.



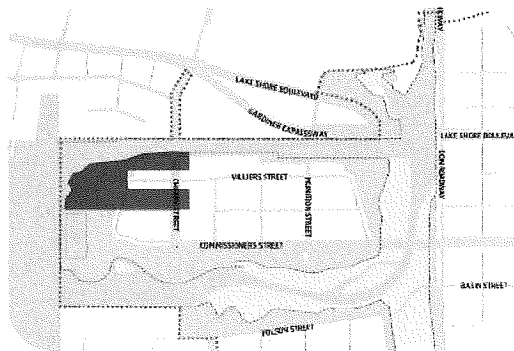
2017/18 Spend: \$15.1 million

2017/18 Key Deliverables:

- Complete environmental remediation, and construction of the exterior building for the Stormwater Management Facility core and shell.
- Commence installation of stormwater treatment process equipment.

9 Essroc Quay Lakefilling

Essroc Quay, shown in purple on the map below, is located on the south side of the Keating Channel, where it meets Toronto's Inner Harbour. The project will create a new landmass around the current Essroc Quay through lakefilling, thereby stabilizing the shoreline under flood conditions and improving the ability of the Keating Channel and surrounding area to convey stormwater. Further, these improvements are a prerequisite for the realignment of Cherry Street and the construction of a new elevated bridge over the Keating Channel which will accommodate increased flooding levels. This project will also enhance aquatic habitat and ultimately form part of the proposed Promontory Park, which is a component of the larger Port Lands Flood Protection project.



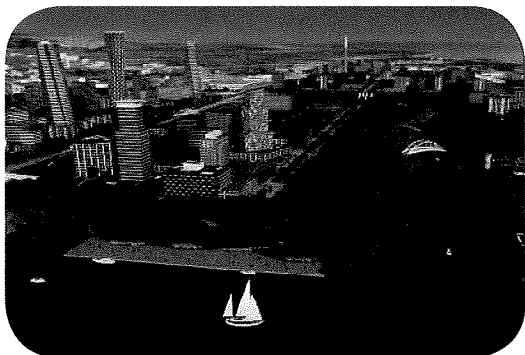
2017/18 Spend: \$40 million

2017/18 Key Deliverable: Commence construction of the Essroc Quay Lakefilling project, which includes relocating the combined sewer outfall. This project is an important part of the required flood protection work in the Port Lands that is described on page 12.

10 Villiers Island Planning

Villiers Island, a new community to be created as part of the Port Lands Flood Protection project, will be mixed-use, vibrant, complete, inclusive and sustainable. Villiers Island will embrace its distinct industrial heritage and the spectacular new parks, public spaces and ecological richness that will result from the naturalization of the mouth of the Don River. With exceptional views of the harbour and city skyline, Villiers Island will form a gateway from the West Don lands, East Bayfront and Keating Channel neighbourhoods to the rest of the Port Lands.

This new community will aspire to improve Toronto's resiliency, spur innovation and economic growth, and create jobs by providing an ideal platform to showcase and bring to scale innovative products, policies, solutions and processes in strategic economic sectors such as clean technology, design, sustainable construction and energy systems. The development of a new climate-positive community on the waterfront will attract private equity investment, foster collaboration between governments and private enterprises, and enable the delivery of climate-positive strategies and outcomes that set a compelling environmental and economic example for other cities to follow.



2017/18 Spend: \$0.5 million

2017/18 Key Deliverable: Completion of the Villiers Island Precinct Plan, which will establish development and community-building objectives for the precinct, including the layout of streets and blocks, parks and open spaces, community services and facilities, public art, sustainability and design requirements, building heights and densities and other aspects to help guide the comprehensive revitalization of this new island community.

2017/18 Key Deliverables: Corporate

Corporate encapsulates the following two foundational pillars that support the planning and delivery of Waterfront Toronto's strategic priorities and projects:

- 1. Cross-functional integrated project teams (Direct costs):** This includes the direct staff costs associated with positions that are directly responsible for the delivery of the Corporation's capital investment plan and real estate developments. These include staff with functional expertise in Planning and Design, Development, Construction, Program Management, and Stakeholder & Public Engagement.
- 2. Core support (Indirect costs):** This includes the staff, tools and technology costs associated with the following core support functions that indirectly support the planning and delivery of the Corporation's capital investment plan, developments and overall governance framework: Finance, Information Technology, Human Resources & Administration, Legal & Board Governance, Procurement, and Strategic Initiatives. In addition, core support also includes the indirect costs associated with Waterfront Toronto's day-to-day operations such as occupancy costs, insurance and audit fees.

For transparency purposes, Waterfront Toronto's total corporate costs budget outlined in the Capital Investment Plan includes both the direct and indirect costs described above.

2017/18 Spend: \$12.1 million (direct costs \$5.3 million; indirect costs \$6.8 million)

2017/18 Key Corporate Deliverables:

New Strategic Vision

- Implementation of Waterfront Toronto's new strategy, objectives, priority projects and initiatives and accompanying organizational restructuring and integrated resourcing plan.

Information Technology

- Replace current financial and accounting system with a new cloud-based Enterprise Resource Planning/Project Management Information System to achieve scalability, improved productivity and reduce IT dependency.
- Should funding become available, replace end-of-life audio-video equipment in the office boardroom to leverage the benefits of newer and scalable technology, as well as to improve accessibility, transparency and accountability.

2017/18 Strategic Initiatives Deliverables:

Community Engagement, Stewardship & Community Building — Building on Waterfront Toronto's strength in community engagement, we will enhance our tools and techniques to reach out to stakeholders and the public to broaden conversations and deepen connections to the waterfront.

- Develop new approaches and tools to evolve our public consultation practices to broaden and diversify audiences and simplify engagement and consultation on waterfront revitalization projects in order to improve project outcomes.
- Develop and execute more programming activities in waterfront spaces that demonstrate the functionality of those spaces and create positive animation and waterfront experiences for residents and visitors.

- Create further opportunities and platforms for thought leadership, to share knowledge and advance ideas and approaches to urban revitalization, mobility, sustainability, inclusion, economic development and design excellence.

Government Relations — *The continued work on Toronto's waterfront will require renewal and a mature evolution of our relationships with government stakeholders.*

- Continue to work closely with governments to ensure Waterfront Toronto's revitalization agenda and government priorities are aligned, and that the value proposition and deliverables are clear and evident.
- Clarify and streamline the working relationship with our government partners, particularly with regard to operational issues and deliverables.

Philanthropy, Corporate Sponsorship & Revenue Generation — *Funding for the next phase of revitalization will require additional sources of funding to support key projects, particularly with regard to the public realm. In 2015, Waterfront Toronto completed a preliminary assessment of philanthropic opportunities and corporate readiness to engage in sponsorship activities. In 2017/18, we will begin to evaluate and execute the recommendations from the report to accelerate the delivery of identified projects.*

- Establish the governance, legal and procurement guidelines and instruments to activate our philanthropic and sponsorship activities.
- Secure the necessary taxation advice and implement appropriate processes to comply with all regulations.
- Prepare an inventory of opportunities for sponsorship for key projects.
- Secure resources to assist with philanthropic activities, including providing advice and market intelligence.
- Prepare initial sponsorship solicitation package for approaches to potential funders.

Innovation & Sustainability — *Over the last decade, Waterfront Toronto has been a leader in developing Intelligent Communities that are highly sustainable and foster innovation. We will continue to evolve our approach in order to transform the market and respond to critical challenges that we are facing locally, nationally and globally.*

- Working with the broader team on the Quayside development project, establish ambitious, precedent-setting targets to achieve greater sustainability outcomes.
- Publish the next version of the Corporate Social Responsibility and Sustainability Report.
- Update the Minimum Green Building Requirements to provide more ambitious targets.
- Working with Beanfield Metroconnect, activate the first phase of WiFi in the waterfront public realm.
- In collaboration with industry partners, launch an interim-use urban innovation lab on the Quayside site.

Partnerships & Economic Development — *The next phase of revitalization will require the creation of new relationships with external partners from industry, academia the not-for-profit sector and the innovation ecosystem across Canada. Working alongside the Partnership Committee of the Board of Directors, we will put in place the strategic framework, guidelines and instruments to provide a base for these engagements.*

- Establish the governance, legal and procurement guidelines to activate relationships across various sectors, including academia, not-for-profits, private sector, investor partners, and others as appropriate.
- Formally engage key strategic partners to support Waterfront Toronto's strategic initiatives.
- Establish indicators to gauge the effectiveness and benefit of these partnerships.

Upon the completion of our on-going strategic review, we intend to update this document with more specific corporate goals for each of our five strategic objectives, including details on deliverables, deadlines and performance measurements. We expect this update to be communicated early in the 2017/18 fiscal year.

Capital Investment Plan

The estimated capital investment plan for 2017/18 to support the strategic priorities and key project deliverables outlined in Sections 3 and 4 is approximately \$135 million, as summarized in the table below. Appendix I outlines the composition of key projects outlined in Section 4 by precinct for easy reference.

Precincts	2017/18 Planned Investment	Estimated Investment to March 31, 2017	Balance of Capital Investment	Total Capital Investment
East Bayfront	\$ 60.3	\$ 413.9	\$ 264.6	\$ 738.8
Port Lands	43.4	110.8	29.4	183.6
West Don Lands	12.2	192.9	45.1	250.2
Central Waterfront	3.9	277.8	1.0	282.7
Waterfront Wide Initiatives ¹	2.3	285.9	1.9	290.1
The Bentway ²	12.7	9.6	1.2	23.5
Waterfront Toronto Total	\$ 134.8	\$ 1,290.9	\$ 343.2	\$ 1,768.9
Non Waterfront Toronto Directed ³	4.9	333.2	32.9	371.0
Total Long Term Plan	\$ 139.7	\$ 1,624.1	\$ 376.1	\$ 2,139.9

Figure 1 - Long Term Capital Investment (2003 - 2023) (in \$millions)

Capital investment activities include managing planning, design and construction of public realm and physical infrastructure. For 2017/18, the majority of the Corporation's planned capital investment will be focused on construction of the stormwater management facility, which will serve both the West Don Lands and East Bayfront, significant construction of the public local streets and public realm elements in East Bayfront, significant construction of the Essroc Quay Lakefilling project, and construction of key elements of The Bentway.

Appendix II outlines the balance of capital investment and related funding from 2018/19 - 2022/23 by fiscal year.

1 Includes Waterfront-Wide Initiatives (WWI) such as Union Station Second Platform, Mimico Waterfront Park and Port Union Waterfront Park.

2 The Bentway is a partnership with the City of Toronto and a private donor. The funding for this project is outside of the three governments' funding commitment and Waterfront Toronto's revenues.

3 Non Waterfront Toronto directed programs are waterfront revitalization projects funded from the Corporation's \$1.5 billion in government seed capital but funding for which is flowed directly to other government agencies. For example, West Don Lands Flood Protection, GO Transit Expansion, Union Pearson Link, Fort York Pedestrian bridge and government waterfront secretariat costs.

Staff Resources

As part of the corporate visioning process underway in 2016/17, the Corporation identified the broad corporate strategy and project priorities reflected in this plan. Management also reviewed the organization and staff complement required to deliver on the Corporation's key strategic objectives for the 2017/18 fiscal year. Through this process, we have been able to streamline staff functions and operations by using a project delivery model predicated on cross-functional integrated project teams that maximize existing skill sets.

As a result, the Corporation has reduced the overall staff complement for 2017/18 from 65 to 56, a net reduction of nine positions. Further, the Corporation is using contract positions on a short-term basis where specialized skill sets are required. As a result, the 2017/18 human resources (HR) budget is approximately four per cent lower than the approved HR budget for 2016/17.

Figure 2 provides a summary of Waterfront Toronto's corporate costs budget for 2017/18 which totals \$12.1 million, reflecting a decrease of 2.4 per cent from the prior year's budget of \$12.4 million. These costs are allocated to each precinct based on the proportion of total capital investment, with the exception of "The Bentway", which is not subject to corporate allocations.

	2016/17 Original Budget	2016/17 Revised Forecast	2017/18 Budget	% Change from Original Budget
General and Office Administration	\$ 1.3	\$ 1.3	\$ 1.3	-
Information Technology	0.4	0.6	0.5	25.0%
Public Engagement & Communications	0.7	0.6	0.6	(14.3%)
Human Resources:				
Salaries and Benefits - Direct Project Staff	4.9	4.9	5.3	
Salaries and Benefits - Core Support Staff	4.6	4.6	3.9	
Subtotal - Salaries and Benefits	9.5	9.5	9.2	
Human Resources and Staff Development	0.3	0.2	0.2	
Directors fees	0.2	0.2	0.2	
Subtotal - Human Resources	10.0	9.9	9.6	(4.0%)
Operating Budget Before One-Time Items	\$ 12.4	\$ 12.4	\$ 12.0	(3.2%)
One Time HR Restructuring Costs	-	0.2	-	
Additional Annual Amortization (Over Three Years) from One-Time Capital to Replace End of Life IT	-	-	0.1	
Operating Budget After One-Time Items	\$ 12.4	\$ 12.6	\$ 12.1	(2.4%)

Figure 2 - 2017/18 Operating Budget (in \$ millions)

The revised forecast for 2016/17 and the 2017/18 budget include an increased investment in information technology that is directly related to the replacement of end of life equipment. Significant investments include replacement of existing server architecture and related software and networking equipment (in 2016/17), as well as replacing the Corporation's financial system with an out-of-the-box, cloud-based Enterprise Resource Planning/Project Management Information System (in 2017/18). Both of these investments will be scalable in order to meet the Corporation's growing needs over the next five years. If funding becomes available during the 2017/18 fiscal year, the Corporation would also seek to upgrade its audiovisual equipment that would improve accessibility, transparency and accountability.

Direct versus Indirect Corporate Costs

The total budgeted 2017/18 corporate spending comprises both direct and indirect costs as defined on page 20. Total indirect costs (overhead) for core support functions as a percentage of Waterfront Toronto's capital investment plan is approximately five per cent for 2017/18 and nine per cent as a rolling average over the last three fiscal years. The capital investment plan (see Figure 1) of \$135 million is representative only of the planning and construction costs for Waterfront Toronto directed projects. It does not include the significant capital investments being made by Waterfront Toronto's development partners and municipal partners, to which significant Waterfront Toronto staff time, expertise and resources are dedicated. If these private developer and municipal investments could be readily quantified, Waterfront Toronto's indirect costs as a percentage of capital investments would be significantly less.

Funding

Waterfront Toronto's business model is based on investing government funds into strategic community-building infrastructure, transforming underutilized post-industrial lands into new communities and important civic assets that attract private sector development opportunities and investment. Proceeds from land sales are reinvested into further revitalization.

Over the last 14 years and by March 31, 2017, it is anticipated that Waterfront Toronto will have invested a total of \$1.3 billion of government seed capital into enabling infrastructure and public spaces on the waterfront. However, Waterfront Toronto's funding profile is now undergoing a shift to include a higher proportion of revenue derived from land sales and other related sources, with less reliance on government funding (see Figure 3).

For 2017/18, the ratio of government funding to other revenues is expected to be approximately 56 per cent (\$45 million) as a direct result of new funding to Waterfront Toronto under the Clean Water and Wastewater Fund. Through this fund, Waterfront Toronto will receive a total of \$65 million, \$40 million of which will be in 2017/18, for the Essroc Quay Lakefilling project outlined in Section 4.

To fund the remaining planned capital investments in 2017/18 of \$90 million, Waterfront Toronto anticipates \$35 million from other revenues, mainly through sales of publicly-owned waterfront lands (\$21 million), together with philanthropic contributions for The Bentway (\$9 million). The balance of \$55 million will be funded from \$30 million in deferred contributions (surplus government funding and unspent revenues from prior years) together with approximately \$25 million in borrowing, which is anticipated to be fully repaid in fiscal 2019/20. Refer to Appendix II for a graphical depiction of the capital investment and funding plan for the period 2018/19 – 2022/23. This graph shows that forecast revenues exceed forecast expenditures by a total of \$32.8 million in fiscal years 2018/19 and 2019/20 which is the period in which Waterfront Toronto anticipates fully repaying its loan.

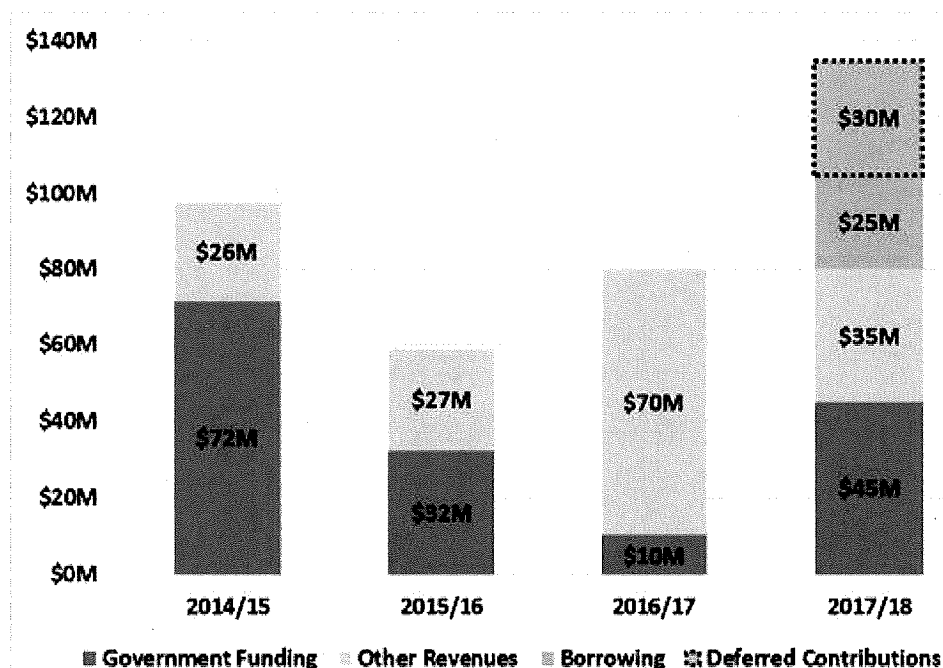


Figure 3 – Funding Breakdown by Source

Cash Flow Management

Historically, the Corporation was primarily funded through federal, provincial, and municipal grants, for which the revenue streams were highly predictable and reliable. As noted above, Waterfront Toronto's funding profile is currently undergoing a shift to include a higher proportion of revenue derived from land and lease sales, rentals, parking and other related income sources. This change in funding profile will require the Corporation to address new risks and complexities in managing cash flows.

Waterfront Toronto assesses liquidity in terms of its ability to generate sufficient cash flows, along with other sources of liquidity including borrowings, to fund operations and the achievement of core deliverables. Net cash flow is affected by the following:

- Operating activities, including the level of accounts receivable, deposits, accounts payable and restricted cash.
- Financing activities, including the use of the Corporation's borrowing capabilities to bridge gaps in funding where necessary.
- Investment activities related to the completion of the Corporation's deliverables and strategic initiatives.

The Corporation assesses its cash flow on an ongoing basis to ensure its continued ability to meet its financial obligations while continuing to deliver on its mandate. Cash flow projections are reviewed by senior management on a monthly basis, and by key stakeholders, including the Finance, Audit, and Risk Management Committee (FARM) Committee and lenders, on a quarterly basis.

Risk Management

The Corporation has in place an enterprise risk management framework to manage the complex business environment associated with its waterfront revitalization initiatives. With over 10 years of experience, the Corporation has been able to successfully manage and mitigate the risks associated with long-term infrastructure development.

For 2017/18, Waterfront Toronto will focus on risk management strategies to address the following key risk categories which may impact the fulfillment of its objectives and deliverables during the fiscal year:

Project Risks – Unforeseen project issues and associated cost escalation

Infrastructure projects of the scale and complexity managed by Waterfront Toronto present many inherent risks and opportunities. Over the past decade, the Corporation has developed processes and tools to better identify, understand, analyze, and manage capital project risks throughout the project life cycle. Key forms of risk addressed include: project cost overruns (cost risk), late project delivery (schedule risk), and adequacy of information to support project decision making and oversight.

Risk awareness has been cultivated throughout the organization and risk management processes and practices have been implemented and integrated with all project management activities, with emphasis placed on risk mitigation and action. Project team meetings are held for monitoring of project progress and

milestones, including the tracking of identified risks and corresponding risk mitigation strategies. Lessons learned during the initial stages of revitalizing the East Bayfront, West Don Lands, and Central Waterfront precincts have been captured in order to more effectively deliver future projects.

As a contingency measure, the Corporation has established a Capital/Revenue Reserve amounting to \$25 million as provision for any unforeseen increases in project cost. To date this reserve has not been utilized.

Financial Sustainability Risks – *Uncertainty in relation to future revenue*

As the Corporation moves towards a greater reliance on its own revenues, uncertainty related to revenue streams driven by economic factors will increase. Informed and evidence-based estimates will help decrease the likelihood of overly aggressive targets and exposure to market risks, but the uncertainties related to economic factors will not be fully mitigated.

In August 2015, Waterfront Toronto's government partners granted the Corporation the ability to borrow which provided the needed financial sustainability to mitigate the timing risks associated with the realization of future revenues. To further guard against short-term revenue shortfalls and adverse impacts to project delivery, the Corporation can likewise tap into its Capital/Revenue reserve which has been established for unforeseen circumstances.

Next Steps

Following the approval of this transitional plan in December 2016, we will move forward with developing a new five year business plan based on our refreshed mandate, vision and strategic priorities. This business plan will outline in greater detail the five year capital investment plan, funding options and business strategies required to achieve these priorities. This plan will also include the Corporation's Performance Measurement Framework and how it will be implemented for decision making and to transparently show progress towards strategic goals in both the short and medium terms.

Upon the completion of our on-going strategic review, we intend to update this document. We expect this update to be communicated early in the 2017/18 fiscal year.

Appendix I

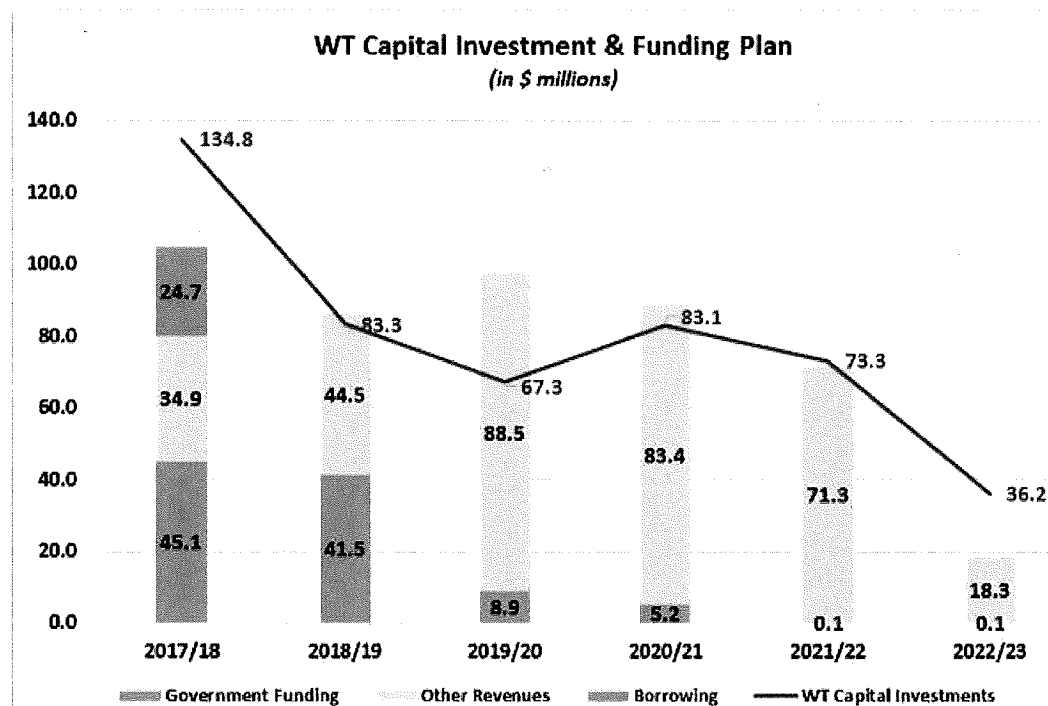
2017/18 Key Planning, Development & Construction Deliverables

In \$ Millions

Key Project Deliverables 2017/18	2017/18 Expected Capital Investment
**Numbered according to the 2017/18 Key Deliverables Map on page 13	
The Bentway	
The Bentway ①	12.7
Total - The Bentway	12.7
Central Waterfront	
Queens Quay Revitalization ②	2.5
Jack Layton Ferry Terminal ③	1.0
Other	0.2
Direct Cost (excluding corporate allocation)	3.7
Corporate Allocation	0.2
Total - Central Waterfront	3.9
East Bayfront	
Bayside Phase I ④	8.2
Bayside Phase II ⑤	21.0
Quayside ⑥	0.8
Queens Quay & Parliament St Intersection ⑦	15.0
Stormwater Management Facility ⑧	7.2
Other	4.4
Direct Cost (excluding corporate allocation)	56.6
Corporate Allocation	3.7
Total - East Bayfront	60.3
West Don Lands	
Stormwater Management Facility ⑧	7.9
Other	3.6
Direct Cost (excluding corporate allocation)	11.5
Corporate Allocation	0.7
Total - West Don Lands	12.2
Port Lands	
Essroc Quay Lakefilling ⑨	40.0
Villiers Island ⑩	0.5
Other	0.2
Direct Cost (excluding corporate allocation)	40.7
Corporate Allocation	2.7
Total - West Don Lands	43.4
Other Costs	
Waterfront Wide Initiatives (incl. corporate allocation)	2.3
Waterfront Toronto Total	134.8
Non Waterfront Toronto Directed	4.9
Total Investment	139.7

Appendix II

Capital Investment Plan & Funding Summary 2017/18 - 2022/23



Breakdown of Capital Investment Plan	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
East Bayfront	60.3	52.7	45.8	66.5	64.1	35.5
Port Lands	43.4	24.1	-	-	5.3	-
West Don Lands	12.2	3.7	21.1	16.2	3.6	0.5
Central Waterfront	3.9	0.8	0.1	0.1	-	-
Waterfront Wide Initiatives ¹	2.3	0.8	0.3	0.3	0.3	0.2
The Bentway ²	12.7	1.2	-	-	-	0.0
Total	134.8	83.3	67.3	83.1	73.3	36.2

CONTACT US

Waterfront Toronto
20 Bay Street, Suite 1310
Toronto, ON M5J 2N8

Have a question?

Call us at **416-214-1344**

Send us an email at **info@waterfronttoronto.ca**.

JOIN US ONLINE



#T0theWaterfront



BRIEFING NOTE TO THE ASSISTANT DEPUTY MINISTER

WATERFRONT TORONTO NON-DISCLOSURE AGREEMENT

(For Signature)

ISSUE

- The purpose of this note is to request your signature on the attached non-disclosure agreement (NDA) as requested by Waterfront Toronto (WT) of government partners in order to provide us a copy of the full agreement with Sidewalk Labs (SWL) on the Quayside Project.

BACKGROUND

- On October 16, 2017 the WT Board approved a term sheet with SWL, which provided a roadmap for what is expected to be a year-long negotiation to fully define the roles, responsibilities and commitments from both parties for the Quayside Project.
- On November 1, 2017 a summary of the WT-SWL agreement was made public. [REDACTED]

[REDACTED] WT is willing to share the document, but [REDACTED] is requesting that governments sign the NDA due to the commercially confidential information contained therein.

CONSIDERATIONS

- WT has provided a draft of the NDA [REDACTED]

RECOMMENDATION

- It is recommended that you sign the attached NDA (Annex A).

Eric Landry
Director General
North, Atlantic and Ontario
Infrastructure Canada

<input type="checkbox"/> I approve.	<input type="checkbox"/> I do not approve.	<input type="checkbox"/> For discussion.
<hr/>		<hr/>
Marc Fortin Assistant Deputy Minister Program Operations Branch		Date

Attachments

Annex A: NDA letter

Date: **NOV 07 2017**

Toronto Waterfront Revitalization Corporation
20 Bay St., Suite 1310
Toronto, Ontario M5J 2N8

Attention: [REDACTED]

Dear [REDACTED]

Re: Confidentiality Agreement (the "Agreement")

In consideration of the disclosure to the undersigned by Toronto Waterfront Revitalization Corporation ("Waterfront Toronto") of the Confidential Information (defined below) relating to the agreement entitled "Framework Agreement" dated October 16, 2017 among Toronto Waterfront Revitalization Corporation, Sidewalk Labs LLC and Sidewalk Toronto Limited Partnership and the "Credit Reference Letter" dated October 16, 2017 from Alphabet Inc. to Toronto Waterfront Revitalization Corporation (collectively the "Confidential Agreements"), I (Infrastructure Canada) agrees as follows:

1. "Confidential Information" in this Agreement means the Confidential Agreements and all relevant communications between Infrastructure Canada and Waterfront Toronto and all information, advice and reports (whether written, oral or electronic) furnished or provided to Infrastructure Canada or acquired by Infrastructure Canada from Waterfront Toronto or from a person acting on behalf of Waterfront Toronto, now and in the future, pertaining or relating to the Confidential Agreements and all information, reproductions, summaries, excerpts and memoranda thereon and thereof (whether provided to Infrastructure Canada or prepared by or on behalf of Infrastructure Canada).
2. The Confidential Information disclosed to Infrastructure Canada shall be maintained in strict confidence; and, save and except as otherwise provided herein, it shall not be used or disclosed to any third party without Waterfront Toronto's prior written consent.
3. Infrastructure Canada agrees not to use, or allow the use of, any portion of the Confidential Information for any purpose other than reviewing the Confidential Agreements to understand the nature of the agreements and relationships contained therein, and only in compliance with the provisions of this Agreement.
4. Infrastructure Canada shall safeguard and strictly control the dissemination of the Confidential Information and not disclose or allow the disclosure to others of any portion of the Confidential Information, except to such of Infrastructure Canada's employees who have a need to know such information to assist with the purpose set out in paragraph 3 above ("Permitted Personnel"). Infrastructure Canada shall ensure that, prior to disclosure of any Confidential Information to the Permitted Personnel, each Permitted Personnel shall confirm that they shall abide by the provisions of this agreement as if they were a party hereto and

Infrastructure Canada shall not disclose nor shall any Permitted Personnel to be provided any Confidential Information if they do not provide such prior confirmation.

5. Infrastructure Canada shall not disclose, other than as permitted herein, that the Confidential Information has been made available to Infrastructure Canada or that Infrastructure Canada has inspected any portion of the Confidential Information.
6. Infrastructure Canada shall not make or allow to be made any unnecessary copies of, or otherwise reproduce, any of the Confidential Information.
7. Infrastructure Canada have taken and will take all reasonable steps to minimize the risk of disclosure of the Confidential Information to unauthorized persons by ensuring that proper and secure storage is provided for the Confidential Information.
8. Infrastructure Canada's undertakings herein shall not apply to any part of the Confidential Information which:
 - (a) is, or was at the time of its disclosure to Infrastructure Canada, in the public domain; or
 - (b) after disclosure to Infrastructure Canada comes into public domain other than by reason of any breach by Infrastructure Canada of this Agreement; or
 - (c) Infrastructure Canada can demonstrate by written evidence that such part of the Confidential Information has been lawfully disclosed to Infrastructure Canada by a third party who did not impose on Infrastructure Canada any restriction on its disclosure and who lawfully came by such information.
9. Should Infrastructure Canada or Permitted Personnel be required by law or policy or be requested by legal process or regulatory authority to disclose any Confidential Information, Infrastructure Canada will provide Waterfront Toronto with prompt written notice of such requirement or request, if possible, so that Waterfront Toronto may seek an appropriate protection order or pursue such other action, remedy or assurance necessary to preserve the confidentiality of the Confidential Information, or waive compliance with any of the provisions of this Agreement, or both; and Recipient will and shall cause Permitted Personnel to fully co-operate with and not oppose Waterfront Toronto in respect of such matters. If, in the absence of either a protective order or a waiver by Waterfront Toronto, Infrastructure Canada or Permitted Personnel, in the reasonable opinion of reputable legal counsel, are required by law to disclose any Confidential Information or stand liable for contempt or to suffer other censure or penalty on any failure to so disclose, Recipient or Permitted Personnel may, without liability hereunder, disclose that portion, and only that portion, of the Confidential Information that is required to be disclosed.
10. Infrastructure Canada acknowledges and agrees that Waterfront Toronto may be irreparably damaged if any provision of this Agreement were not performed by us in accordance with its terms. Accordingly, Toronto Waterfront shall be entitled to seek appropriate remedies for breach of any provisions of this Agreement, subject to the *Crown Liabilities and proceedings*

- 3 -

Act. These specific remedies are in addition to any other remedy to which Waterfront Toronto may be entitled at law or in equity.

11. Infrastructure Canada shall, at your request, immediately return to Waterfront Toronto or destroy all surplus copies of the Confidential Information, and shall certify in writing that such copies of the Confidential Information have been so returned or destroyed. Infrastructure Canada agrees it shall only retain Confidential Information to the extent necessary to comply with applicable records retention obligations.
12. If Infrastructure Canada or Permitted Personnel are required to make disclosure of any Confidential Information pursuant to either the *Access to Information Act*, *Privacy Act*, *Freedom of Information and Protection of Privacy Act* or *Municipal Freedom of Information and Protection of Privacy Act*, or any successor legislation thereto, then prior to making any such disclosure, Infrastructure Canada and the Permitted Personnel shall first advise Waterfront Toronto in writing of any Confidential Information that is proposed to be disclosed such that Waterfront Toronto is permitted the opportunity to review the Confidential Information that is proposed to be disclosed and request such exemptions from disclosure as Waterfront Toronto considers appropriate in the circumstances.

Yours truly,



Signature of Recipient:

MARC FORTIN

Name of Recipient (please print)

BRIEFING NOTE TO THE MINISTER**TORONTO WATERFRONT REVITALIZATION INITIATIVE – CONTRIBUTION AGREEMENT
FOR THE PORT LANDS FLOOD PROTECTION AND ENABLING INFRASTRUCTURE
PROJECT IN ONTARIO**

(For Signature)

ISSUE

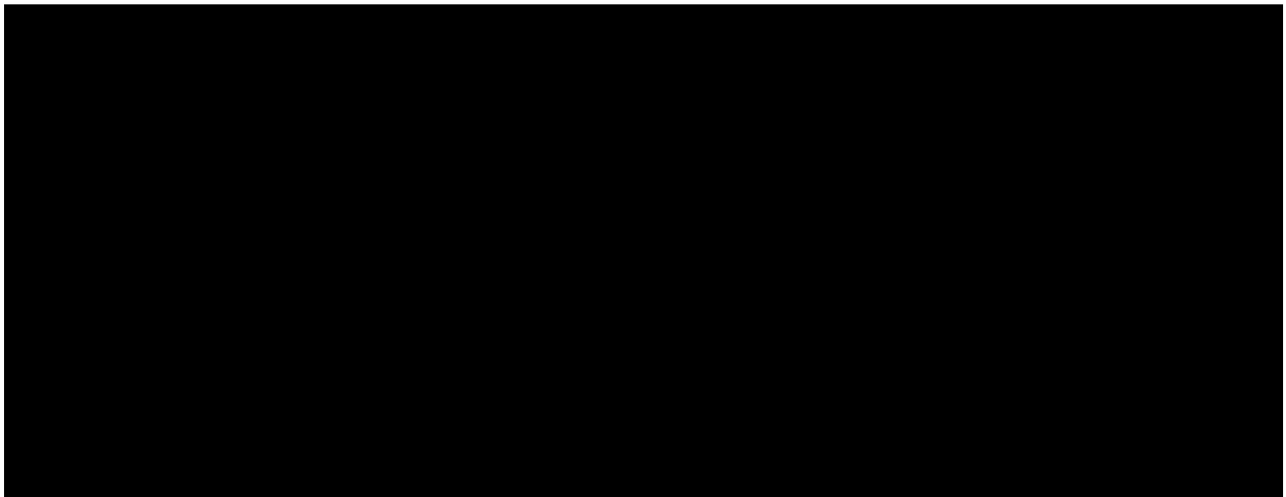
- The purpose of this note is to seek your approval and signature on the four attached copies of the tri-government Contribution Agreement between Infrastructure Canada (INFC), the Province of Ontario (Ontario) and the City of Toronto (Toronto) as funders (the Funders), and the Toronto Waterfront Revitalization Corporation (the Recipient), in support of the Port Lands Flood Protection and Enabling Infrastructure project (the Project) (**Annex A**).

HIGHLIGHTS/KEY CONSIDERATIONS

- The Project involves the flood protection of 240 hectares along Toronto's waterfront that are at risk of flooding under a provincially defined Regulatory Storm event. The Project also includes brownfield remediation with the addition of green space for public use, as well as upgrading municipal infrastructure. In the long term, the Project will provide opportunities for residential and commercial development, access to affordable housing, and public transit. Construction is expected to start in June 2018 and be completed in March 2024.
- On September 13, 2016, Infrastructure Canada (INFC), Ontario and Toronto announced \$65,000,000 in funding for a component of the Initiative under the Clean Water and Wastewater Fund – the Cherry Street Stormwater and Lakefilling project – which was at an advanced stage of readiness. INFC contributed \$32,500,000 while the other partners each contributed \$16,250,000.
- The total project is \$1,185,000,000. The Project costs have not changed since the approval-in-principle (**Annex B**), and will be jointly funded by the Funders, using a one-third cost-share calculation, including the Cherry Street project. As a result, INFC's contribution will be up to 32.4 percent of the project's total eligible costs to a maximum of \$384,166,667. Ontario and Toronto will each contribute up to \$400,416,667 (33.8 percent). The Funders will not be responsible for any cost overruns.
- INFC's assessment is that there are no requirements under the *Canadian Environmental Assessment Act, 2012* for the Project.

Based on the information provided, INFC has determined that there is a legal obligation to consult with Aboriginal groups under section 35 of the *Constitution Act, 1982* for the Project. INFC will work with the Recipient to engage and consult with Aboriginal groups that may have a potential interest in the Project. Consultation activities between the Recipient and Aboriginal groups have been underway since 2016 for this Project, and INFC has confirmed with the Recipient that further consultations will be required. [REDACTED]

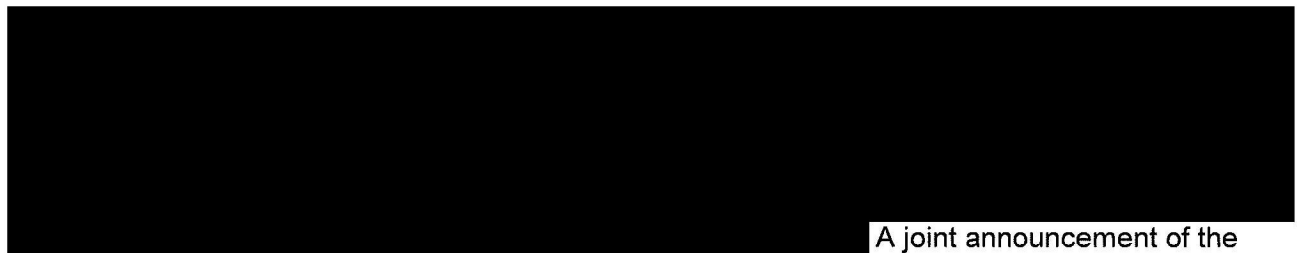
- INFC has undertaken a risk assessment using the departmental Recipient and Project Risk Assessment.



- INFC officials, including Corporate Services, confirm that approval of the Contribution Agreement is within your delegated authority and that it meets the Toronto Waterfront Revitalization Initiative program terms and conditions and the Treasury Board *Policy on Transfer Payments*.

KEY BACKGROUND

- The Recipient was established pursuant to the *Toronto Waterfront Revitalization Corporation Act, 2002*, in the Province of Ontario, as a corporation without share capital to implement the Initiative. Pursuant to the *Act*, the term of the Recipient's mandate continues until 2028, unless the Recipient is wound up earlier as permissible by law. Under the *Act*, the Lieutenant Governor in Council has the right to wind up the Recipient on or after the 20th anniversary (2023). This option is however negated if Ontario, Toronto and INFC undertake a review of the Recipient at least three months prior to the 20th anniversary, and the person undertaking the review recommends that the Recipient not be wound up before the 25th anniversary (2028).



A joint announcement of the Project was made by the Prime Minister, Ontario Premier Kathleen Wynne and Toronto City Mayor John Tory on June 28, 2017.

- INFC has worked with the other Parties throughout the drafting and negotiation process and all Parties have consulted internally with their legal services.



The Contribution Agreement will be signed in counterpart.

RECOMMENDATION/NEXT STEP

- It is recommended that you indicate your approval of the Contribution Agreement by signing four copies of the attached Contribution Agreement (**Annex A**) and the attached letters (**Annex C**).

<div style="display: flex; justify-content: space-between;"> <div style="width: 70%;"> <p>_____ Kelly Gillis Deputy Minister Infrastructure and Communities</p> </div> <div style="width: 25%; text-align: right;"> <p>_____ Date</p> </div> </div>

<div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> ___ I approve. ___ I do not approve. ___ For discussion. </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 70%;"> <p>_____ Amarjeet Sohi, P.C., M.P. Minister of Infrastructure and Communities</p> </div> <div style="width: 25%; text-align: right;"> <p>_____ Date</p> </div> </div>
--

Attachments:

- Annex A – Contribution Agreement (4 copies)
- Annex B – Approval-in-Principle Letter
- Annex C – Letter to Mr. William Fleissig

The Honourable Bob Chiarelli, M.P.P.
Minister of Infrastructure
Government of Ontario
5th Floor, Mowat Block
900 Bay Street
Toronto, Ontario M7A 2E1

Dear Colleague:

I am very pleased to write to you regarding the signing of the Toronto Waterfront Revitalization Initiative – Contribution Agreement for the Port Lands Flood Protection and Enabling Infrastructure Project.

Under the Toronto Waterfront Revitalization Initiative, the Government of Canada will invest up to 32.4 percent of the total eligible expenditures, up to a maximum federal contribution of \$384,166,667 in the Port Lands Flood Protection and Enabling Infrastructure project.

Please find enclosed your copy of the Contribution Agreement, which I have signed on behalf of the Government of Canada. Please ensure that a copy of the Agreement with your signature and dated is forwarded to the attention of:

Marie-Pier Nassif
Director, Ontario
Program Operations Branch
Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6

Yours sincerely,

Amarjeet Sohi, P.C., M.P.

Enclosures

His Worship John Tory
Mayor
City Hall, 2nd Floor
100 Queen St. West
Toronto, ON M5H 2N2

Dear Mayor Tory:

I am very pleased to write to you regarding the signing of the Toronto Waterfront Revitalization Initiative – Contribution Agreement for the Port Lands Flood Protection and Enabling Infrastructure Project.

Under the Toronto Waterfront Revitalization Initiative, the Government of Canada will invest up to 32.4 percent of the total eligible expenditures, up to a maximum federal contribution of \$384,166,667 in the Port Lands Flood Protection and Enabling Infrastructure project.

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Marie-Pier Nassif
Director, Ontario
Program Operations Branch
Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6

Yours sincerely,

Amarjeet Sohi, P.C., M.P.

Enclosures

Mr. William Fleissig
President and Chief Executive Officer
Waterfront Toronto
20 Bay Street, Suite 1310
Toronto, Ontario M5J 2N8

Dear Mr. Fleissig:

I am very pleased to write to you regarding the signing of the Toronto Waterfront Revitalization Initiative – Contribution Agreement for the Port Lands Flood Protection and Enabling Infrastructure Project.

Under the Toronto Waterfront Revitalization Initiative, the Government of Canada will invest up to 32.4 percent of the total eligible expenditures, up to a maximum federal contribution of \$384,166,667 in the Port Lands Flood Protection and Enabling Infrastructure project.

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Marie-Pier Nassif
Director, Ontario
Program Operations Branch
Infrastructure Canada
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6

Yours sincerely,

Amarjeet Sohi, P.C., M.P.

Enclosures

Minister of Infrastructure
and Communities



Ministre de l'Infrastructure
et des Collectivités

Ottawa, Canada K1P 0B6

Mr. William Fleissig
President and Chief Executive Officer
Waterfront Toronto
20 Bay Street, Suite 1310
Toronto, Ontario M5J 2N8

JUN 21 2017

Dear Mr. Fleissig:

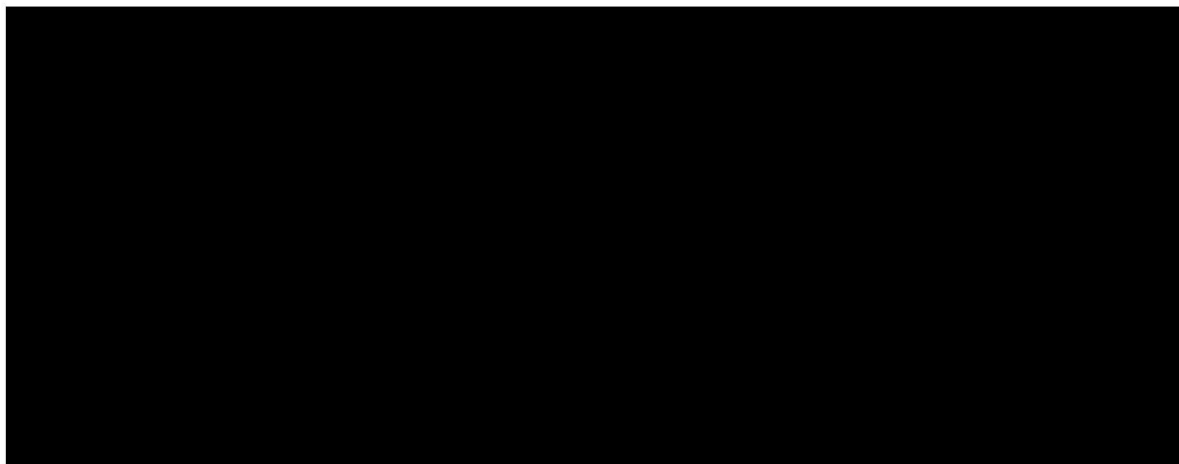
I am pleased to inform you of the approval-in-principle of the Port Lands Flood Protection and Enabling Infrastructure Project. This approval is given following the successful review of the Project under the new terms and conditions of the second phase of the Toronto Waterfront Revitalization Initiative (TWRI).

Federal funding of the Project under the TWRI will be up to a maximum federal contribution of \$384,166,667. Federal funding from all sources cannot exceed 33.33 percent of the total eligible costs of the Project.

With this approval-in-principle, eligible costs, as determined under the terms and conditions of the TWRI and incurred as of the date of this letter, will be eligible for federal reimbursement, subject to the timely execution of a contribution agreement. If a contribution agreement is not signed, the Government of Canada will not reimburse any costs incurred. Once signed, the contribution agreement represents the final federal approval of the Project.

If there is a change to the scope of the Project, please notify Infrastructure Canada as soon as possible, as any scope changes require approval by Canada.

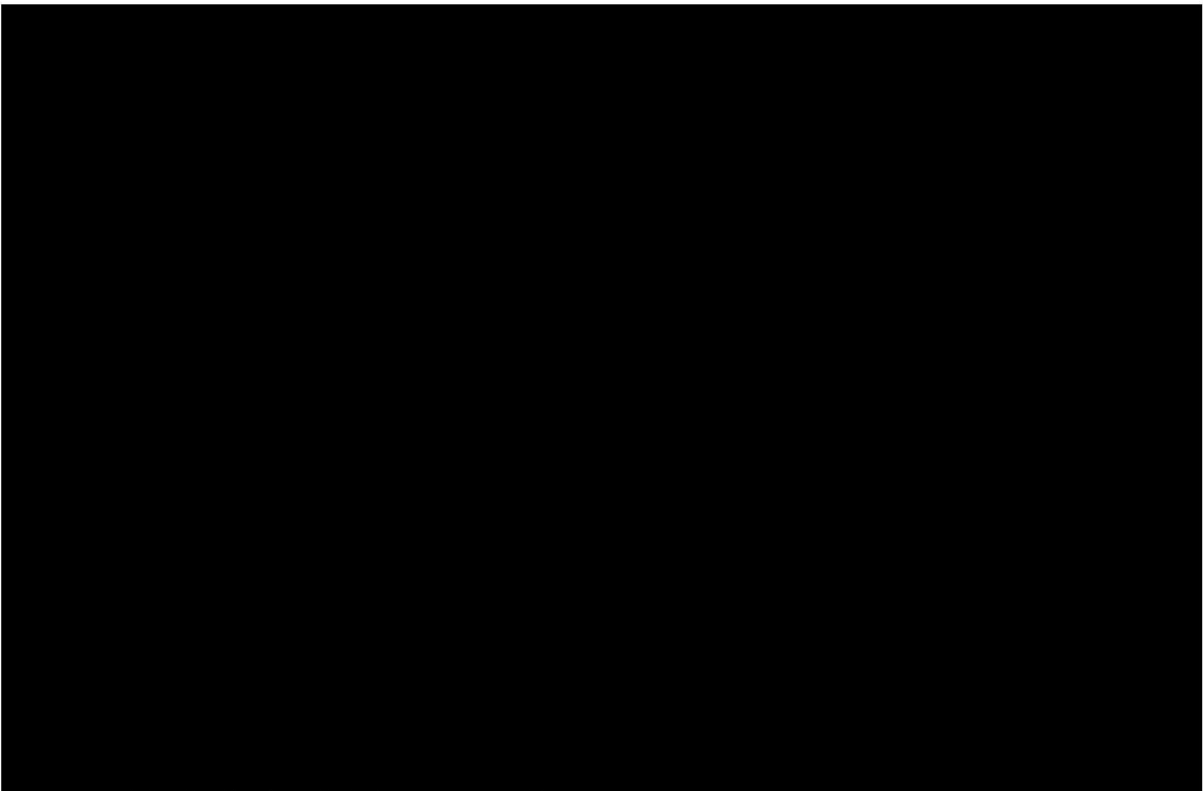
As we move to the contribution agreement stage, the following conditions will also apply:



...2

Canada

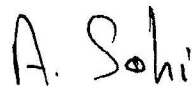
- 2 -



As the Project is being approved in principle on the basis of this information, please notify Infrastructure Canada officials, in writing, should you expect delays of more than six months in either the start or revenue service date.

Thank you for your collaboration to date. I look forward to continuing to work together to conclude a contribution agreement for the Project in a timely fashion.

Yours sincerely,



Amarjeet Sohi, P.C., M.P.

c.c. The Honourable Bob Chiarelli, M.P.P.
Minister of Infrastructure, Government of Ontario

His Worship John Tory
Mayor, City of Toronto

Ms. Helen Burstyn
Chair, Waterfront Toronto Board of Directors

**Page(s) 90 to 141
are withheld
pursuant to paragraphs
14(a), 20(1)(b), 21(1)(a), and 21(1)(b)
of the *Access to Information Act***

**La/les page(s) 90 à 141
Font l'objet d'une exception totale
conformément aux dispositions des
paragraphes
14(a), 20(1)(b), 21(1)(a), et 21(1)(b)
de la *loi sur l'accès à l'information***